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SPD  
*Bulletin 61*  
*1949*

# **LABOR-MANAGEMENT RELATIONS**

## **A Research Planning Memorandum**

**By**

**John G. Turnbull**

**SOCIAL SCIENCE RESEARCH COUNCIL**  
**230 PARK AVENUE . . . NEW YORK 17**







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Labor Market Research*

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## FOREWORD

RESEARCH and writing on industrial relations problems have expanded strikingly during the past decade. The number of university centers actively carrying on empirical studies has trebled, the number of private consulting and service agencies has grown even more rapidly, and practitioners in industry, in labor organizations, and in the government have become self-conscious to the point of augmenting greatly the literature produced year by year. The conventional boundaries of the field of labor economics developed in earlier decades have in considerable part disappeared through the collaborative or independent efforts of students drawn from psychology, sociology, anthropology and political science.

At this stage of expansion and re-examination it is not surprising to find a relatively high amount of disagreement rather than of agreement among research men and practitioners about theoretical principles and patterns of behavior. Within the past two or three years, however, the belief has grown that research has now advanced to the point at which greater agreement about the value of particular approaches and techniques should be possible. As a contribution to this end the Council's Committee on Labor Market Research encouraged John G. Turnbull, as a part of his staff service for the Council and the committee during 1947-49, to prepare a memorandum identifying and analyzing significant hypotheses advanced by students of industrial relations.

The survey of the literature of labor-management relations made by Mr. Turnbull showed that many pertinent and provocative generalizations, hypotheses, inferences, and questions have been developed or raised about factors which influence patterns of labor-management relations in one way or another, or which conversely are influenced by given relationships. Yet there came to light little or no material which dealt with

the validity of these propositions, or with problems involved in assessing and testing them. In its final form his report became an attempt to assemble certain of the more striking inferences and questions which have evolved, and to indicate that research can best be advanced if systematic efforts are made to put these propositions to test.

The author rather than the committee is responsible for the methodological treatment and the materials included or excluded in the bulletin. Members of the committee, however, counseled at length with Mr. Turnbull in the development of the manuscript. Its content was reviewed with other students in the labor field in the course of conferences sponsored by the committee at Princeton in February 1949 and at the University of Minnesota in May. The committee recognized that the selection or nonselection of hypotheses from specific writings might seem to imply distinctions which in fact were present neither in the thinking of the author nor in the judgment of the committee. The hypotheses selected were chosen solely in terms of their intrinsic significance or their illustrative value. It is the committee's hope that the document will serve to channel the interest of competent investigators into the tasks of reanalysis and verification which are suggested in the text.

The author has asked that acknowledgement be made of helpful suggestions contributed by Gerald W. Breese and Douglass V. Brown. Frederick H. Harbison and John W. McConnell, through their critical rejection of various aspects of the approach developed herein, caused the author to recast certain phases of his thinking. In addition he has asked that recognition be given to the invaluable critical assistance received from members of the committee and several associates on the staff of the Council.

PAUL WEBBINK

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## CHAPTER I

### INTRODUCTION

Research interests, projects, and publications in the field of labor-management relations have increased markedly in recent years. This memorandum considers briefly the present situation and its development, and then explores in some detail a research approach which may have certain values for future investigations.

#### *Scope of the Memorandum*

Labor-management relations, as the term is here used, includes the patterns of interaction of labor and management, the factors which condition those interactions, and the consequences of interaction patterns. In this context "interaction" implies a consideration of elements which bear upon the relationships of the parties to each other, rather than upon factors which more uniquely concern one or the other of the parties per se, although in many instances it is extremely difficult to specify particular limits. Attention is not primarily directed, for example, to problems involved in the selection of supervisors by a business enterprise or of shop stewards by a union. But where these matters may have interaction aspects—as in the effects of the ratio of stewards to foremen in communication or grievance processes—they fall within the confines of our discussion.

In addition to restrictions imposed by the use of this concept of interaction, a second limitation is found in the idea of "labor-management" relations. For purposes of the analysis to follow, these relationships are viewed largely in the sense of collective relations between managements and unions, rather than as between managements and individuals. The term col-



lective-bargaining relations is closely synonymous with labor-management relations as defined here and were it not for the several instances in which nonbargaining relationships are examined for comparative purposes, or where individual relations are pertinent, it would be appropriate to interchange the expressions. Labor-management relations, the slightly broader term, affords a degree of freedom essential to the analysis.

The choice of this frame of reference is based primarily upon the present status of research interests and undertakings in this field. Problems and foci shift over time, and for the past decade or so an increasing emphasis has been placed upon the ways in which collective bargaining works. Hence this memorandum is addressed essentially to this subject. This limitation further implies that much of what is generally classified as industrial relations, as industrial psychology, or as industrial sociology is broader in scope and hence largely outside the focus of this analysis. The complexity of these more inclusive fields, their specialized nature, and problems of individual competence and of time, all afford a basis for justifying the narrower approach. At times, however, use will be made of certain contributions of these other fields insofar as they are directly relevant.

A final limitation is that the analysis is at the "proximate" level. It is most likely that the "ultimate answers" to issues raised in this memorandum are to be found only through the basic concepts of physiology and psychology. Yet the approach used here seems to be warranted because inquiries of the type suggested may help to delineate areas of research to which other disciplines can contribute, and because analyses from various points of view should be of value in rounding out the field.

Since much of the emphasis on research on labor-management relationships, in terms of the workings of collective bargaining, is a product of the past decade, the literature examined in this memorandum is generally limited to this period. This by no means implies, however, that previous contributions are not significant. Indeed, even though the emphasis on problems and

research has shifted somewhat, many earlier analyses are highly important for present problems and should be referred to in any inquiry.<sup>1</sup>

### *Research Development and Status*

Present research in the field of labor-management relations appears to have developed—on the basis of one type of classification—along three general lines.

The first category includes conceptual frameworks and general theories, which in the main are more basic and more inclusive than labor-management relations per se. These developments, however, have many implications for the form of relations here defined. The contributions of Bakke (3),<sup>2</sup> Kornhauser (34), and McGregor (39, 40) typifying emphasis upon adaptive human behavior and social psychology, those of Blumer (4), Homans (28), Mayo (44, 45), and Moore (48, 49, 50) representing varied sociological approaches, and those of Warner (88) and Whyte (90, 91) utilizing the techniques of social anthropology, are illustrative of work in this area. While the specific findings of these investigators or their research techniques may be subject to continued discussion, the underlying method is less open to question; for the formulation and evaluation of hypotheses or the generalization of principles are at a basic methodological level. Although the studies in this category by virtue of their inclusiveness are outside the scope of this memorandum, reference will be made from time to time to implications for labor-management relations.

A second type of approach is what may be called the specialized topical study, in which a particular subject is selected and

<sup>1</sup> In addition to the types of studies considered in the body of this memorandum, biographical studies of business and labor leaders and histories of companies, unions, and situations have been suggested by Gladys L. Palmer as pertinent reference materials for research on labor-management relations. These descriptive and interpretive studies are of great value in discerning the total picture of any situation.

<sup>2</sup> Numbers in parentheses refer to items listed in the Selected Bibliography, pp. 103-108.

investigated. Administration and organization, arbitration, grievance procedures, labor-management cooperation, industry-wide bargaining, and technological change are but a few of many such areas of inquiry. In many studies the case method is employed as the research technique, sometimes intensively with one or a few situations examined in considerable detail, and at other times extensively with the investigation covering a wide variety of cases. While these studies have been primarily concerned with segments of labor-management interactions rather than with total situations, they have provided many important findings which have furthered our understanding of patterns of relations. Significant conclusions and observations arising from these specialized approaches will be examined in detail in this memorandum.

The third line of development is centered around studies of individual or groups of business enterprises and unions, or their collective relationships. Here again the case technique is commonly utilized as a research tool. In many studies of this type it appears that description has been an end in itself. If analysis was undertaken for the purpose of discovering "causes" or "principles," it appears to have been either largely incidental or generally unsystematic. Increasingly, however, the trend has been toward systematic analysis in attempts to get at "causal relationships." This method combines factual presentation—a point upon which the older descriptive studies are still of great value for contemporary research—with causal analysis and the structuring of models of relationships. The recent contributions of Brown (8), Harbison and Dubin (25), Lester and Robie (37), and Kerr and Randall (32) and others in the National Planning Association series of case studies provide examples of a more incisive type of inquiry.

#### *A Research Approach*

From the investigations noted in these three categories have

emerged series of inferences and of suggestions,<sup>3</sup> the first somewhat formal and the second more informal and nebulous in nature. These inferences and suggestions indicate various individual causal relationships and, in some cases, patterns of such relationships. In addition, the observations of practitioners and others in the field lead to certain pertinent conclusions.

The basic question considered in this memorandum is: Can these various inferences and suggestions be (a) formally structured as hypotheses, (b) assessed and evaluated, and (c) if valid, integrated into a systematic body of principles? Or in less formal terms, since we appear to be at a point in labor-management relations research where a number of significant causal relationships have been suggested, what can be done to test these relationships and to synthesize them into a structured theory? <sup>4</sup> There are many formidable problems in such an approach and there is no guarantee that it will prove fruitful, but the line of attack is inherently scientific and merits exploration. False hypotheses are themselves of value, and if this hypothetical method proves invalid, it may nevertheless contribute something by its very invalidity.

A number of the problems involved in this approach are discussed in greater detail in the Appendix,<sup>5</sup> but several basic difficulties should be noted here. As in so many other situations terminology constitutes one problem. In some instances the causal relationships described in the literature have been framed in a more or less formal manner and have been sug-

<sup>3</sup> It was hoped that it might be possible to find "equal and opposing" inferences for all those presented in this memorandum. In a few instances this proved to be the case. For the most part, however, there appears to be considerable agreement on the general nature of the factors involved in labor-management relationships, even though they may be given quite different weights.

<sup>4</sup> After a preliminary outline of this memorandum had been drafted, the writer was pleased to note that the same general idea of hypothesis testing has been suggested by R. A. Lester and E. A. Robie (37), p. 114.

<sup>5</sup> It is suggested that the Appendix be read prior to the body of the memorandum.

gested as hypotheses applicable to other comparable, or even general, situations. In other cases the inferences are held valid for the situation examined, and while there may be an implicit assumption that they are applicable elsewhere, this assumption may not be made explicit. Still more informal are certain suggestions regarding broad or tenuous connective relationships, without specific delineation.

Since it is often difficult to distinguish between hypotheses and inferences, the latter term will be used to designate those propositions which are stated in more or less formal terms. In a few cases these inferences actually shade into hypotheses and may be utilized as they stand for purposes of testing. In other cases a more rigorous formulation is necessary before evaluation can be undertaken. The other group of causal relationships—the “suggestions,” which are much more tenuous in nature—will be classed as research planning questions: questions which may afford insight into problems but which need considerable refinement before assessment can be attempted.

### *Plan of the Memorandum*

Keeping in mind this distinction between research inferences and research planning questions, the plan of treatment in this memorandum may be outlined briefly. An examination of the literature of labor-management relations<sup>6</sup> reveals what appear to be two basic approaches. In the first investigators have been concerned with the background factors or the determinants of given situations. Here a specified labor-management pattern is examined and an attempt made to discover the elements which determined the pattern. In the second the pattern and its consequences are the points of focus, and although there is usually some concern with background aspects, the greater

<sup>6</sup> It should be emphasized that references to or citations from the literature, as found in this memorandum, are to be viewed as having been taken out of the context in which they were set. The original sources should, therefore, be examined in all instances so as to obtain the full perspective and to correct any biases which may have developed in the abstracting process.

emphasis is on the nature of the pattern and its implications for the parties themselves or for other groups in the economy.

In essence, this dual approach looks (a) at the *causes* of various patterns of relationships and (b) at the *impacts* or *effects* of the patterns. Now cause and effect are complex concepts not readily distinguishable in many economic phenomena, but apart from this it appears that it is essentially the short-versus the long-run time element which leads to the division. For example, in the short run the nature of the grievance system may be considered as part of a labor-management pattern and may result from or be conditioned or determined by various background factors. In turn, this system may have implications for the parties themselves, as in the level at which grievances are settled, or for other groups in the economy, as in the work stoppages which do or do not materialize. On the other hand if a longer-run view is taken, all things appear to slip into a causal frame and, e.g., the grievance procedure becomes a determinant in resulting patterns.

This memorandum utilizes this twofold division of subject matter, (1) background factors in patterns of interaction and (2) the patterns themselves and their consequences, because the material appears to be developed in this way in the literature, and rather than restructure the concepts used in published findings it seems more logical to take the situation as it is. If the mutual and reciprocal nature of cause and effect and the short- and long-run phases are kept in mind, the possible artificiality or arbitrary nature of this division should not prove troublesome.

## CHAPTER II

### BACKGROUND FACTORS IN PATTERNS OF INTERACTION

#### *Introductory Comments*

The analysis of any pattern of relationships requires some detailing of background data in order to provide a setting for the exposition, and orientation for the reader. The concept of the "background," however, has come to be used increasingly in another sense: that usually defined as "situational analysis."<sup>1</sup> In this meaning the configuration of background data is used in explanation of the results as well as for setting and orientation purposes. For example, a "successful" management-union relationship in a small community where the company is prosperous, where the number of its employees is small and they are of the same ethnic stock, and where management is "reasonable" and union leaders not "militant," may be explained largely in terms of this particular environmental or situational content.

In this approach it is customary to take the situation as "given" and to ask what there is "in it" which "makes" it what it is or, in other words, what the determinants of the situation are. It is possible, however, to utilize the converse of this method, to take a specific background factor as given and to attempt to evaluate its impact upon resulting situations. An example of these two approaches may be helpful: In a given

<sup>1</sup> For an excellent introductory analysis of the "situation" and "situational thinking," see Paul Pigors and Charles A. Myers (57). Their approach is primarily related to personnel problems, but Paul Pigors in frequent discussions with the writer has emphasized the applicability of the method to social analysis in general. Although increasingly used of late, the concept of the situation is not, of course, a recent development, as may be ascertained from the literature of psychology and sociology.

case it may be found that the economic position of the firm is a factor having an important influence upon the labor relations pattern. Conversely, it is possible to apply a given hypothesis regarding the impact of the economic position of the firm upon labor-management relations to a variety of situations in order to assess the validity of this proposition. In the first case we start with an explicit situation and look for background factors; in the second we start with an explicit hypothesis concerning a background factor and look for its impact in various situations. The situation is still vital here; there is merely a difference in the way the approach is made.

The inferences and research planning questions presented in this chapter appear to have evolved in many cases out of implicit or explicit examination of various situations, that is, of various patterns of labor-management relations. In examining these situations investigators have methodologically looked "backward" for factors which determined the situations. In turn, the evidence obtained has led to the formulation of inferences and research planning questions in terms of the factors and their impacts, that is, "forward" from factors to situations. For the purposes of this memorandum, the "forward" approach will be used.

Relatively little specific analysis has been undertaken, apparently, either on the impacts of various background factors or on their synthesis.<sup>2</sup> Recognition of their place in labor relations analysis is evident, however, from an examination of the literature.<sup>3</sup> Lester and Robie, for example, write: "The elements that contribute to satisfactory labor relations are common knowledge. They include favorable economic conditions, honesty and

<sup>2</sup> See, however, the pioneering work in this field by E. Wight Bakke (3) and "Industrial Relations Research," *Proceedings of the American Philosophical Society*, 92:376-380 (1948). Also, investigations under way at various university research centers show much promise of contributing to understanding here. See the various reports in *Memorandum on University Research Programs in the Field of Labor* (46).

<sup>3</sup> For pertinent remarks see Lester and Robie (37), p. 114, comment 5.



fair dealing, reasonableness and understanding of the viewpoints and problems of the other side, personalities and economic philosophies that are compatible, and a desire to reach workable compromises." <sup>4</sup>

This appraisal, while valuable for its recognition of background factors, seems to leave several questions unanswered. First, a more formal structuring of the general pattern of elements should prove worth while. Second, there is need for more concrete and specific identification of some of these elements; for example, what does "reasonableness" signify? Or again, what are "compatible personalities" in the more exact meaning of the term? Third, are we sure of the validity of all these elements? For example, as will be noted later in more detail, there seems to be some doubt whether "favorable economic conditions" are a necessary condition for "satisfactory" labor relations.

This chapter undertakes to explore a series of inferences and research questions based upon these and other elements, and suggests that investigations which attempt to evaluate the validity of them or to show their differential effects in varying situations may prove significant for labor-management relations research. Except in the first two sections, the series of propositions are developed in a general sequence from factors "outside" the firm and the union (customs, and ethnic, racial, and religious factors) to those "inside" these bodies (organizational and administrative elements). It is recognized that certain of these propositions may contain only minimum significance for labor-management patterns. The fact that these inferences and questions have arisen, however, does indicate some belief in their significance; and their assessment should prove more satisfactory if made by methods other than those of intuitive acceptance or dismissal. No claim is made that the propositions developed herein represent in any sense a complete delineation of all the causal forces which act upon labor-management rela-

<sup>4</sup> *Ibid.*, pp. 113-114.

tionships. Nor is any particular significance to be attached to the sequence in which they are presented, for it was selected merely as a matter of convenience. Obviously, any complete listing of the determinants of labor-management relationships would be much more extensive than that outlined here, and even the identification of the more important determinants would undoubtedly require additional propositions. Moreover, the development of differing sequences might prove of considerable value.

Propositions identified herein may frequently prove to be only partly valid, and other factors as yet unidentified or unexplored may prove to have important bearing upon a particular case. This is all to the good, however, for it is through this very method of the restructuring and further investigation of hypotheses that advancement in understanding takes place. The gradual accumulation of a body of valid hypotheses should aid considerably in the synthesis and development of general theories in labor-management relations.

### *Research Inferences and Planning Questions*

*Some general issues in labor-management relations.* In this section the analysis centers upon several general issues as a setting for the more specific topics that follow. For the most part, these issues are discussed upon the "proximate" level as found in the literature. As already suggested, it may be necessary to have recourse to physiological, psychological, and sociological analyses of human behavior in order to deal with the "ultimates" involved,<sup>6</sup> but considerable insight may perhaps be obtained at the level of inquiry herein.

<sup>6</sup> A highly profitable project might be undertaken on human behavior and labor-management relations paralleling that of Robin M. Williams, Jr. in the field of intergroup tensions. In *The Reduction of Intergroup Tensions* (92), Williams listed and analyzed some 102 propositions on intergroup hostility and conflict. In addition to organizing these propositions into sections (as on origin and prevalence of hostility, types of hostility and conflict, etc.) and citing their sources, Williams devoted a chapter to research possibilities arising out of the propositions.

The background factors discussed in the following sections are in many ways limiting factors, that is, in one way or another they contribute to the relative ease or difficulty with which situations involving individual or group behavior are resolved, and hence they contribute to the shaping of patterns of labor-management relations. Though the factors analyzed may seem to be set down in mechanistic form, it should not be held that analysis of them implies a "mechanistic explanation" of labor-management patterns. On the contrary these factors should be viewed essentially as structuring the setting in which behavior takes place. This setting is not static, however, but evolutionary in nature. Thus, for example, while a concept such as "area customs" is more or less "fixed," the customs themselves are not rigid but dynamic. Moreover, customs are but one aspect of a complex of elements which help to shape patterns of relationships. This implies simply that these elements cannot be divorced from behavior or from the factor of time.

Although the range of fundamental issues in collective-bargaining relations is extensive, the analysis here will be confined to five topics, which are thought to present a somewhat generalized picture. These topics will be discussed briefly as a group before considering suggestions for research:

1. "The objective of the collective bargaining procedure . . . is to arrive at terms of employment which will be acceptable to the people who will work under them." <sup>6</sup> If to this is explicitly added the proviso implicit in the above quotation that the "people" are to be defined in terms of the "management" and the "workers," we have a generalized statement of the nature of labor-management relations as found in collective-bargaining situations. This statement provides a working frame of reference for the subject matter of this memorandum, although some nonbargaining situations will be examined for comparative purposes. It should be noted, however, that the term procedure as used above is to be interpreted in its widest sense, that

<sup>6</sup> Lloyd G. Reynolds and Joseph Shister (58), p. 1.

is, as including operation under a contract as well as the negotiation of that contract. We are not further concerned with definitional issues, although they could be raised easily; rather, after this section the analysis centers upon the impacts of various elements on the "resulting patterns"<sup>7</sup> of collective bargaining.

2. If the objective of collective bargaining is to arrive at acceptable terms of employment for the parties concerned, what are some of the major issues which affect this objective and the efforts to achieve it? Later sections in this chapter present some of these influencing factors. Here we may note one or two major elements.<sup>8</sup>

According to George W. Taylor, "Conceptual differences between organized labor and management are a major cause of collective bargaining failures."<sup>9</sup> In this respect collective bargaining is viewed as analogous to a "problem," and as Taylor further notes, "Cooperative action to resolve a problem is not possible if the problem itself is variously conceived." The problem as he views it in this context arises from this stipulation: "If the principal aim of organized labor is to 'take working conditions out of competition' and if management, by and large, insists that variable terms of employment must be established to meet the needs of individual concerns, then no solid foundation for industrial peace exists."

Bakke, approaching the issue from another direction, comments: "The basic issue in labor-management relations at the moment then, arises from the fact that each party is concerned primarily with its *individual* survival. Its attention is focused

<sup>7</sup> These "results" are usually defined in the normative sense as "constructive," "peaceful," "stable," "successful," etc., or in the converse sense. This poses a serious problem of criteria to be used for purposes of evaluation, which is discussed in the Appendix. These terms are not generally enclosed in quotation marks hereafter, but they should be taken in the conditional sense.

<sup>8</sup> For some pertinent observations see Otto Pollak, *Social Implications of Industry-Wide Bargaining* (Philadelphia: University of Pennsylvania Press, 1948), especially pp. 67 ff.

<sup>9</sup> George W. Taylor (86), p. 340.

upon the means to that end. The leaders of each group are trying in every individual negotiation and every political maneuver not merely to solve a specific problem. They are trying to solve it in a way that preserves their own structure of living intact."<sup>10</sup> This also may be viewed in Taylor's terminology as a conceptual difference, although it appears as a basic circumstance in the setting of a given problem rather than as the problem itself; or in another sense it provides the maneuvering area in which problems may be placed under discussion by management and labor.

3. Given the objective of collective bargaining and the problems, among others, of conceptual differences and survival as pertinent to that objective, it is apparent that there is a "consciousness of action" in the roles played by management and unions in working toward their goals. As Ross says, "Results which formerly flowed from the pricing mechanism in the labor market are now brought about by the authoritative decisions of employers and trade unions."<sup>11</sup> While Ross is discussing wage policy, his comments are also applicable in large measure to other areas which can be subsumed under the heading of labor-management relations.<sup>12</sup> Matters formerly held to be within the province of management, or worked out impersonally, or the subject of customary practices, are now often decided by the conscious activity of organized groups. This in turn has many vital implications for the economy at large, some of which are discussed in later sections.

4. This conscious activity does not occur discretely without relation to labor and management. The nature of these groups bears significantly upon the entire process. As Selekman has noted, "Now, any birds-eye view of collective bargaining today confirms the important influence exerted by the institutional

<sup>10</sup> E. Wight Bakke (2), p. 80.

<sup>11</sup> Arthur M. Ross (60), p. 267.

<sup>12</sup> See also Neil W. Chamberlain, "The Organized Business in America," *Journal of Political Economy*, 52:97-111 (1944), for numerous illustrations of "conscious bilateral" decisions and agreements.

character of the parties in each contractual combination.”<sup>13</sup> Numerous illustrations of this institutional aspect have been developed for both management and labor. For example, on a more generalized level Dunlop (17), Ross (59), and Sturmtal (80) have structured models of the trade union as an institution. Dealing with more specific situations, Harbison and Dubin’s (25) analysis of General Motors-Studebaker-UAW relationships affords an example of institutional inquiry.

5. Lastly, it is obvious that the relationships of labor and management do not take place *in vacuo* but in the complexity of reality, and they are conditioned and influenced by a wide variety of factors regardless of the ultimate motivational forces.<sup>14</sup> Selekman has noted that there is “an interrelatedness of everything in collective bargaining.”<sup>15</sup> These various factors included in “everything” have been analyzed in one fashion or another by numerous investigators, and their research undertakings have led to the formulation of the inferences and research planning questions which comprise the subject matter of this memorandum.

The conclusions and inferences noted in the above five fields afford a wide diversity of topics for future research. Certain general suggestions will be made here:

1. The objective of collective bargaining, involving also its nature and scope, has been analyzed in considerable detail, much of which seems somewhat polemical. While it does not appear desirable to engage in mere controversy over matters in this area, it may prove profitable to inquire into the ways in which differing labor-management relations patterns have evolved, and what their consequences have been under varying

<sup>13</sup> Benjamin M. Selekman (66), p. 36.

<sup>14</sup> This is saying no more than Bakke (3) concisely points out in a section on the “Structure of Living.” In fact, many of the research inferences and planning questions developed in this memorandum dovetail closely with components in his structure, although his outline is much more comprehensive and penetrating.

<sup>15</sup> *Op. cit.* (66), p. 35.

interpretations of the nature and scope of collective relations. Numerous additional studies of this type might contribute materially to deepening our understanding of this fundamental aspect. Investigations might also explore further the "outlook" which the respective parties bring to the bargaining table.<sup>16</sup>

2. Propositions regarding conceptual and other differences, and conceptual and other similarities, offer a fertile field for inquiry insofar as they affect labor-management relations. The positive approach in the National Planning Association's case studies on "Causes of Industrial Peace Under Collective Bargaining" affords an example of this type of inquiry, though one might have wished for a more uniform framework of investigation in these studies so that comparative analyses might be made.

3. The nature of conscious group action, as it has superseded "informal" processes, needs additional study; some analysis of this area has been undertaken but much remains to be done. Certain issues here might well fall under research on institutional models, and other topics might be investigated separately—such as the nature and processes of decision making,<sup>17</sup> and the consequences of decisions and agreements reached by large aggregates in our economy.

4. Continued research on institutional models of management and trade unions should prove of value.<sup>18</sup> Although the comments of Sturmthal are apt and there may be criticism of model building as such, it appears that the trade union concepts developed by Dunlop and Ross have considerable utility. Their

<sup>16</sup> See *The President's National Labor-Management Conference* (Washington: U. S. Department of Labor, Division of Labor Standards, 1946), Chapters 4 and 5.

<sup>17</sup> For general comments see R. A. Gordon, *Business Leadership in the Large Corporation* (Washington: The Brookings Institution, 1945), especially Chapters III-VI. For specifically related topics see Robert Dubin (16).

<sup>18</sup> For broader comments on institutions see Louis M. Hacker, "Collective Bargaining and American Institutions," in *The New Industrial Relations* (Ithaca: Cornell University Press, 1948).

analyses, moreover, are replete with comments and inferences pertinent for further research.

5. Finally, with reference to the "interrelatedness of everything" noted by Selekmán, there is a wide range of subjects open for investigation. Part of this area is touched upon in suggestion 2 above, and it will be considered in greater detail in the concluding section of this chapter.

*Practices and history of the past.* One of the most important ways in which collective-bargaining relationships are conditioned is through "what has gone on before." As Golden and Ruttenberg note, "The initial collective bargaining practices are influenced in varying degrees by the preunion history of the particular industrial concern and by the fact that genuine union-management relations are initiated by the unions."<sup>19</sup> This "principle" (the term used by the authors) appears to consist of two separate propositions. The first is that past history and past practices are a strong conditioning factor in later developments. Gomberg emphasizes this point: "... most of you have the unions you deserve. For some twenty odd years everything was used by the American industries, guerillas included . . . [and therefore] in the long run you have the unions you deserve and just the sort of industrial relations you deserve."<sup>20</sup> There appears to be considerable common acceptance of this truism regarding the influence of the past upon the present. In labor-management relations such diverse factors as the activities of the "coal and iron police," the militia, and company guards have left a definite mark upon the outlook of the worker. In a different fashion the attitude of paternalism has made its impact felt. McGregor and Scanlon note, for example, "Another consequence of the paternalistic attitude of top management toward the union made genuine collective bargaining difficult during the first few years of the relationship."<sup>21</sup>

<sup>19</sup> Clinton S. Golden and Harold J. Ruttenberg (20), p. xxiv. Their volume provides a very fruitful source of some 37 "principles" (see pp. xxiii-xxvi).

<sup>20</sup> William Gomberg (21), unpagcd.

<sup>21</sup> Douglas McGregor and Joseph Scanlon (41), p. 16.



Yet, labor-management relations seated in a troubled past have in numerous instances markedly improved;<sup>22</sup> and conversely, situations where the past has not been troubled have materially worsened. Strikes are one illustration of what may have existed in a "troubled" past. But do strikes necessarily lead to a worsening of future relations? Or is the converse true? From the Libbey-Owens-Ford analysis made by Harbison and Carr (26), two prolonged and costly company-wide strikes in the past fifteen years do not seem to have worsened relationships; in fact the opposite distinctly appears to be the case. To be sure, strikes are only one element in the total pattern of determinants but they do contribute to the "past" which is being considered here.

In another vein Dubin makes this pertinent comment on the relation of past policy to existing labor-management relations: "It must be recognized that each individual union-management relationship does not recapitulate the historical development of collective bargaining in general."<sup>23</sup> In some instances there is a slow and gradual evolution of changes; in others, such as the Taylor-Lewis agreement in steel or the Ford Motor Company case, there is a "conversion" characteristic in management's reaction.

Can research on the role of this past history demonstrate its significance more clearly? Why do friction and strife appear to evolve in some cases? Why does the rationale seem to be a peaceful development of relationships in other cases? Can any generalizations be made about the consequences of "conversion" situations? How important is the past in such situations? If the result is only an evaluation of the role of the past in relation to other factors, such research should be worth while.

The second part of Golden and Ruttenberg's principle appears to involve a somewhat different problem, namely, the manner of "introduction" of union-management relations. This

<sup>22</sup> See Andrew H. Whiteford *et al.* (89) and Ernest Dale (14), p. 96 for interesting examples.

<sup>23</sup> *Op. cit.* (16), pp. 296-297.

problem is analyzed in the section dealing with the framework of political rules (pp. 26-27 *infra*).

*Effects of customs on labor-management relations.* The role of customs constitutes a topic closely allied to the historical element. These customs may pertain to a geographic area, the trade, the industry or shop, or they may be of various other types. While there is some literature on certain aspects of this topic—as for example in relation to union organization campaigns in the South and the “mind” of the southern worker—much of the material has not been collected or published.

In its broadest connotation the proposition relating to area customs is usually expressed in this way: The customs of a given area condition to a greater or lesser degree the patterns of labor-management relations which result. Customs in this sense may imply a broad pattern of behavior common to a given area, or various intermediate forms narrowing down to a feature such as the particular outlook of the management spokesmen in a specific community. As an example of the broader pattern, Bakke reports the comment made to him by a union official who noted that a first-rate organizer, with twenty-five years of successful experience, had failed miserably in an attempt to unionize certain workers in North Carolina just prior to the war. The failure had not necessarily been due to management opposition, but to the fact that the people in North Carolina did not react like those the organizer had lived with.<sup>24</sup> With respect to the particular outlook of management spokesmen in given communities, Noland and Bakke's study (52) of employer hiring practices in Charlotte and New Haven reveals how importantly hiring qualifications are in many ways related to customary area considerations.

On an industry basis Braun, discussing clothing manufacture, analyzes the time-honored system of jobbers and contractors and its implications for union-management relationships.<sup>25</sup> In his

<sup>24</sup> *Op. cit.* (3), p. 4.

<sup>25</sup> Kurt Braun (5), pp. 33-37.

view the unions have been against this custom because it breeds insecurity and unemployment, and makes improvement of the workers' situation extremely difficult.

In an analysis on the company level Harbison and Dubin discuss the "father-son" aspect of the Studebaker work force.<sup>26</sup> In their opinion this "custom" is another bond which has tended to knit the work force into a more closely related unit. Customs of the trade, as exemplified in working rules or in jurisdictional coverage of types of work, afford other illustrations. The impacts of these practices on labor-management relationships appear to be felt in numerous ways.

It is evident that while the influence of area and other customs appears to be tacitly taken into account in many investigations there is need for specific inquiries on the role of this factor. And although many of these customs are of a tenuous nature, there seems to be a genuine conviction—implicitly held for the most part—that they do have an important influence on labor-management relations. Except for the general proposition that customs do have their effects, we do not have much in the way of specific hypotheses on this topic. Hence instead of proposing hypotheses for testing purposes, it may be more appropriate to designate this as a research planning area. Investigation in this area might therefore attempt to determine whether a classification of customs according to types can be developed, and if so, whether the differential effects of various factors can be measured. In some cases characteristics may prove to be so tenuous in nature that little can be done with them. In others factors may be peculiar only to certain geographical areas, industries, or shops, while in still others they may be more generally pervasive. In any case, research of this type should provide valuable insights for the understanding of labor-management relations.

*Ethnic, racial, and religious factors.* Williams has summarized a series of propositions developed by others on ethnic, racial,

<sup>26</sup> F. H. Harbison and R. Dubin (25), p. 121.

and religious group tensions as they manifest themselves primarily in the economic sphere.<sup>27</sup> An example relating to several aspects of the problem may be indicated here. Citing Donald Young, Williams notes that "Group antagonisms seem to be inevitable when two peoples in contact with others may be distinguished by differentiating characteristics, either inborn or cultural, and are actual or potential competitors."<sup>28</sup> For purposes of analysis this inference may be divided into two component questions. First, what influence does the composition of the work force have upon patterns of industrial relations?<sup>29</sup> Any attempt to answer this question involves two separate approaches: consideration of the effects of employer hiring practices on composition of the work force, and of the effects of discriminatory or nondiscriminatory union policies on the employee group. Second, what effects, if any, are found to be related to the ethnic, racial, or religious characteristics of management personnel and the union leaders with whom they deal? We shall consider these in turn.

Noland and Bakke (52) in their analysis of employer hiring practices in the cities of New Haven and Charlotte found that the employer is very much concerned with the ethnic, and even more concerned with the racial and religious, characteristics of potential employees. Among other reasons, this concern is based upon the desire to create as homogeneous and harmonious a work force as possible. Kerr and Randall note, for the Pacific Coast pulp and paper industry: "The workers have been drawn from a population that is homogeneous to an unusual degree. . . . Group minorities have not been a problem. Neither the employers nor the unions have exercised any conscious policies of exclusion, and members of some minority groups have worked in the mills. . . . Consequently, no social conflicts of

<sup>27</sup> *Op. cit.* (92), pp. 54-55, 59, 61, 69-73.

<sup>28</sup> *Ibid.*, pp. 54-55.

<sup>29</sup> See Andrew H. Whiteford *et al.* (89) for notes on work-force composition and patterns of labor-management relations.

community-origin have existed in the plants to foster factionalism and antagonism." <sup>80</sup>

At the other pole of influence on the composition of the work force one finds the membership policies of unions. Northrup (53) has well analyzed the problem in terms of types of unions and their practices, ranging from the close control over entrance to the trade exhibited by certain craft-type unions to the explicit nondiscrimination policies of industrial unions. In addition, there have been numerous other studies on minority groups and economic opportunity, production problems during World War II, and postwar employment conditions. Fair employment practices acts are indicative of legislative intent to provide a framework of rules for the equalization of opportunity in employment. <sup>81</sup>

While past research has provided information on both employer and union attitudes toward ethnic, racial, and religious characteristics of prospective employees or members, it appears that valuable insights into patterns of labor-management relations could be gained if studies of the impacts of these attitudes on particular situations were carried forward. At their present stage of development the ideas in this area more closely approximate research planning questions than hypotheses. Williams suggests, however, an illustrative study starting with the specific hypothesis that industrial unionism, emphasizing nondiscrimination and solidarity of workers, does or does not appreciably reduce hostility among workers of different racial, religious, or ethnic groups. <sup>82</sup> Related specific hypotheses, Williams notes, would undoubtedly emerge; among them is one involving "worker-employer relations" which is pertinent to labor relations. Williams also suggests comparative study of unionized versus nonunionized plants of the same specific industrial type

<sup>80</sup> Clark Kerr and Roger Randall (32), p. 11.

<sup>81</sup> For pertinent comments on topics in this and the preceding paragraph, see Leo C. Brown, S. J. (8), pp. 163 ff., 181, 219. See also Lloyd H. Bailer, "The Negro Automobile Worker," *Journal of Political Economy*, 51:415-428 (1943).

<sup>82</sup> *Op. cit.* (32), pp. 102-103.

as a means of furthering our understanding. To these types of studies may be added suggestions for research which would trace the impact of employer policies upon subsequent relationships.

The ethnic, racial, and religious characteristics of employers and the union spokesmen with whom they have contractual and other dealings constitute a second area of inquiry. While we have information on the attitudes of various religious groups toward, e.g., the rights of the worker and organized labor, it would be instructive if investigations could indicate the impacts of these various characteristics upon labor relations. Do patterns of labor-management relations found when the racial or religious characteristics of management and union spokesmen are the same tend to differ from the patterns found when these characteristics are unlike? Or is this question irrelevant in the light of other influences? As an example, a study of the patterns found in the ladies garment industry in New York City might prove instructive, for here managements deal with important diverse groups of employees, notably Jewish and Italian. Do the predominantly Jewish manufacturers find one pattern resulting from relations with Jewish union personnel<sup>33</sup> and another with Italian? (The underlying relationships are important here, not the contractual terms which are likely to be highly similar if not identical.) Again this area is more appropriately approached in terms of research planning questions, and hence investigations must consider the problem of hypothesis formulation as an initial issue.

*"Relative strength" of labor and management.* One of the factors held important in conditioning labor-management relations is the relative strength or power of the respective parties. In some cases this factor is viewed in broad perspective, for example, in relation to national, state, or local laws and their permissive or prohibitive effects upon the actions of the parties.

<sup>33</sup> As an indirect indication of this type of question see Robert J. Myers and Joseph W. Bloch (51), p. 449. There it is noted, "Credit [for stable relations] also goes . . . to the exceptional organizing ability of the Jewish workers."

In other cases it may be viewed in a much more localized setting, as with reference to the size of a particular union's "war chest" and that organization's consequent ability or inability to carry on a prolonged strike.

The relative power concept is sometimes analyzed or discussed as a more or less self-contained issue. The vast amount of debate about labor legislation in recent years is a case in point. The use of such terms as "one-sided legislation," the need for "checks and balances," and the "slave labor act" is indicative of concern over matters of relative power. On a much more sophisticated level Slichter notes: "Today the United States has the largest, most powerful, and most aggressive labor movement which the world has ever seen. . . . The trade unions are the most powerful economic organizations in the community." <sup>34</sup>

The problem of relative power appears to be most generally analyzed, however, with respect to the sources from which it is derived, the sources being categorized broadly as the political and the economic. With respect to political sources Harbison and Carr say, "With the encouragement and protection afforded by the passage of the National Industrial Recovery Act, the Cutters' League set out in 1933 to organize the unskilled and semi-skilled workers in the flat glass industry." <sup>35</sup> On the economic side Straus, discussing organization of the men's clothing industry in Rochester, comments, "The situation was tense, and the manufacturers were jittery because the postwar boom had piled up orders on their books and any shut-down at this time was to be avoided at almost all costs." <sup>36</sup> The two broad categories of sources of power are further broken down in many instances. The political source, in addition to elements revolving about statutory enactments and their administration and interpretation, also includes the "political" nature of labor and manage-

<sup>34</sup> Sumner H. Slichter (75), pp. 3-4.

<sup>35</sup> F. H. Harbison and King Carr (26), p. 9.

<sup>36</sup> Donald B. Straus (79), p. 8.

ment. The economic source includes the general level of business and industrial activity, the economics of the industry and the firm, technological considerations, and to some extent location factors.

Political and economic factors are also considered important in ways other than those which act upon the relative powers of the parties. The economic profitability of a firm, for example, may have a strong influence upon the wages which can be paid, and this in turn may have an impact upon labor-management relationships somewhat distinct from the problem of strength as such. Therefore, rather than considering each of the various political and economic factors twice, the discussion to follow will include effects upon relative strength as well as other impacts of each of the factors analyzed. The next seven sections consider these various political and economic elements.

*The framework of political rules.* Most impartial students of labor-management relationships are agreed that relationships are more successful when they are hammered out by the parties themselves rather than when imposed from above by governmental decree. Selekman excellently summarizes this point of view: "Perhaps that is why hardly a student or practitioner in the field feels any assurance that law can provide effective answers to the problems that must be met. Even those who support regulations to meet specific abuses insist that the relationships worked out by the parties themselves alone can yield effective dealings from day to day. But such cooperative relationships cannot be imposed by law—and particularly not by law that becomes itself a target of conflict."<sup>37</sup> In one of many specific illustrations Myers and Bloch note: "Collective bargaining in the men's clothing industry is a convincing demonstration of the expediency and effectiveness of self-rule."<sup>38</sup>

<sup>37</sup> Benjamin M. Selekman (65), p. vi.

<sup>38</sup> *Op. cit.* (51), p. 449. Braun comments pertinently, "Experience in several countries has shown that management-labor relations have been the more cooperative the less governments have regulated the manner in which they must deal with each other" (5, p. 254).



The relation of specific laws to patterns of labor-management relations constitutes a second problem in this area. If it be hypothesized that "better" results are obtained when the parties work out decisions for themselves, it is by no means indicated that such laws as do exist do not make their influence felt as situational factors. Two issues arise here. The first concerns the powers and attitudes of the parties as they are conditioned by specific laws. The second involves the detailed provisions of the law, and its administrative and legal processing. An example may clarify this distinction. The National Labor Relations Act obviously served as a very important general conditioning factor in the pattern of attitudes and powers of labor and management. In addition, the changing viewpoint of the (old) National Labor Relations Board on the "free speech" doctrine provides one of many examples of the influence of legal administration.<sup>39</sup>

From a research standpoint there are two problem areas. First, if it is hypothesized that decisions worked out by the parties themselves are the more successful, can the practical applicability of this method be tested? With respect to one phase of this problem, reference may again be made to Golden and Ruttenberg's principle that "initial collective bargaining practices are influenced in varying degrees by . . . the fact that genuine union-management relations are initiated by the

<sup>39</sup> One can find a plethora of hypotheses as to the positive or negative effects of a law such as the Taft-Hartley Act, and of its administration. For the most part, however, these conclusions are not based upon research, but rather upon the emotional outlook of the affected parties. Hence we have not tried to cite sources. See, however, Paul A. Brinker, "The Enforcement of Collective Bargaining," *Quarterly Journal of Economics*, 62:314-322 (1948), where it is concluded that in the period 1935-43 Southern unions generally went ahead on their own rather than rely upon NLRB rulings which were often so delayed as to diminish their value. This exemplifies the relation of one aspect of the administration of an act to labor-management patterns. For a pertinent contemporary case see the review of Frank Pierson's study of effects of the Taft-Hartley Act on collective bargaining in Southern California in the *Labor Relations Reporter*, 23:203-205 (January 31, 1949, Section 4).

unions" (cf. page 17 *supra*). While it is not necessary to raise terminological issues over what is meant by "initiated," it appears that in many cases management met the union more than halfway in the introduction of bargaining. Can these instances where unions obtained exclusive bargaining rights through self-settlement by the parties be contrasted with situations where recognition agreements, consent elections, or full formal proceedings were used? <sup>40</sup> Can self-resolved situations in other phases of relationships be contrasted with those where redress of the law was sought, and comparisons of resulting patterns made?

Second, can the chain of processes from the enactment of a law through its impact upon attitudes and powers to resulting labor relations patterns be identified, and can the patterns themselves be evaluated in terms of "stability" or its lack in labor-management relations? Research on these questions will necessarily call for careful segregation of the emotionalism associated with laws such as the Wagner and the Taft-Hartley Acts. But such research might indicate the consequences of the swings from legislation which is claimed to be unilateral in its effect (as has been the case with the Wagner Act) to that which is claimed to be of a check and balance nature (as the Taft-Hartley Act has frequently been called). Research in this direction might at least indicate the qualitative influence of the "rules of the game" upon the nature of labor-management relations.

*"Political" relations of labor and management.* In addition to the previously discussed political framework of the state as it affects labor relations, attention has been focused of late upon the union as a political institution and upon the political nature of labor-management relations. This type of approach is exemplified by the analyses of Ross (59) and Kerr and

<sup>40</sup> See Louis G. Silverberg, *A Guide to the National Labor Relations Act* (Washington: U. S. Department of Labor, Division of Labor Standards, Bulletin No. 81, 1946) pp. 11-27. See also his comments on the values of self-resolution, p. 12.

Randall (32). In relation to the political interactions of labor and management, the latter write:

One prerequisite for industrial peace is the political compatibility of industry and labor. The private enterprise and the trade union alike are institutions that desire to survive and to grow. If either party concludes that the opposite party seeks its extinction, the basis for cooperative relations does not exist. If each party concludes that the other will permit it to exist and perhaps even help it to succeed, the prospects for peace are favorable.

Political compatibility depends on (1) the general points of view of the parties and (2) the drawing of specific lines between "mine and thine" which are consistent with the institutional needs of both sides. It has to do with the respective areas of sovereignty of management and unions, with the distribution of rights, and of power.<sup>41</sup>

Two general research areas might fruitfully be developed from these propositions. The first involves examining the relationship of the general points of view of the parties to labor-management patterns. The term "general points of view" is nebulous, but Kerr and Randall break it down into component parts for both management and unions. For management certain of the components include: degree of acceptance of unionism and of the values of collective bargaining, and attitudes toward the scope of bargaining. For unions the factors include: essential philosophy (as acceptance of private ownership and operation of enterprise with emphasis on gradual improvement of the economic lot of the worker versus other ideologies); "structural" aspects (comprising elements such as the number of unions in the bargaining sphere and problems of rival unionism, for example), and the nature of union control (local, international levels); and policies regarding contract observance. Certain of these components might profitably be separated for research purposes, even though they come to a general focus in

<sup>41</sup> *Op. cit.* (32), p. 28.

the political sense. For example, general philosophy<sup>42</sup> as in management's degree of acceptance of unionism or the union's viewpoint on private enterprise might fit into one category. Structural problems, involving the loci of union control, or rival unionism might be explored in another. We shall reexamine this last set of problems in later sections.

In relation to the inference on general points of view, can research delineate differences in patterns which result from variations in viewpoints? Comparative studies of older AFL and newer CIO unions might afford one basis of investigation. Do unions with a "business" philosophy tend to produce one kind of pattern and those with "social welfare" philosophies another?<sup>43</sup> In turn, can the impacts of varying management philosophies upon industrial relations patterns be assessed?

A second area of research involves the hypothesis of "the drawing of specific lines between 'mine and thine' which are consistent with the institutional needs of both sides." Essentially this is the "management prerogative" issue.<sup>44</sup> In the light of what is possibly the evolving nature of labor-management relationships, can "mine and thine" be defined with any exactness? Do these needs and the resulting demands vary in different situations and from time to time? Have labor-management relationships been more stable or successful where a line has somehow been drawn than where there is indecision as to what is claimed by whom? In some instances it appears that the rights and powers issue has not arisen. Why is this the case, and what connection does it have with the relationships of the parties?

<sup>42</sup> It might be held that this is merely a part of "personality." To some extent this may be true, but it may also be held that personality provides the way or manner in which this philosophy is expressed.

<sup>43</sup> Whether this distinction can be fully made may be debatable. See Philip Taft's review of *History of the Labor Movement in the United States* by Philip S. Foner, *Industrial and Labor Relations Review*, 2(1):143-144 (1948).

<sup>44</sup> For pioneering analysis in this field see Neil W. Chamberlain (11), and "The Organized Business in America," *Journal of Political Economy*, 52:97-111 (1944).

Is "mine and thine" the problem per se, or is it rather a function of the attitudes of the parties? For example, in various instances managements appear to have been more or less unyielding in their unwillingness to transfer or share certain rights and powers; yet problems have been successfully resolved by a painstaking explanation to the union as to why management was unwilling. This appears to be true in the Studebaker case, for example, as Harbison and Dubin (25) note. To be sure, these cases formally result in the "proper" allocation of "mine and thine" and thus satisfy Kerr and Randall's hypothesis (although informally this may not always be the case—"doubts" may still linger on), but it is the method of resolution rather than rights per se which is important. Research on these and allied concepts should contribute significantly to an understanding of the role played by political elements in conditioning labor-management patterns.

*General level of economic activity.* The last two sections have dealt with political factors as they affect labor-management relations. This section and the next four deal with economic and technological factors as they are conceived to influence relationships, either with respect to relative power or in other ways.

In some analyses of labor-management relations it has been held that the general level of economic activity, affecting the economy as a whole, plays a significant role in conditioning patterns of relationship.<sup>45</sup> This factor is usually treated apart from relationships between the level of economic activity and the size of union membership (and therefore union strength), although it is not to be doubted that causal influences are pertinent here. The analyses rather tend to relate economic activity to the "outlooks" of the respective parties. For example, in management literature of the war and postwar years, fre-

<sup>45</sup> For general comments in this area see Dale Yoder, "Economic Changes and Industrial Unrest in the United States," *Journal of Political Economy*, 48:222-223 (1940), and the citations in this article.

quent reference may be found to the view that high profits and a sellers' market tended to obscure managerial concern over basic labor relations issues. In the opinion of some spokesmen many managements "gave away entirely too much" to labor, under the combined stimulus of high profit statements, an ability to pass increased costs along, and the feeling that it was more important to keep producing in a profitable market than to clash over differences in demands. Moreover, it is frequently stated that these concessions will later return as a plague upon management.

This type of reasoning implies that managements tend to "acquiesce" more in time of prosperity and vice versa. Is this a valid conclusion? If it is, what are the effects upon the pattern of labor-management relations? Braun, discussing the economic powers of labor and management, comments: "Relative economic power of the parties is an important factor in all types of business relations. That it also has influenced the relations between clothing manufacturer and unions appears quite natural." <sup>46</sup> Can this statement be generalized to indicate a relationship among the general level of economic activity, relative economic power, and resulting patterns? Is this whole process of economic leverage pertinent as a situational element which conditions stability of labor-management relations, and does it act in a positive fashion, or negatively as a "club" over the heads of the respective parties? Research along the line of these suggestions should assist in appraising the role played by the general level of economic activity.

*Economics of the industry.* Relative to economic impacts upon labor-management relationships, additional analysis is found upon a second level, that of the economics of the industry. This analysis sometimes centers on the relative power concept, and sometimes on other aspects. With respect to the former, Taylor writes concerning the status of the hosiery industry in Philadelphia after World War I, "Since skilled knitters

<sup>46</sup> *Op. cit.* (5), p. 243.

were scarce and manufacturing was profitable, the organized employees had considerable economic power which they did not hesitate to use." <sup>47</sup> Braun, analyzing union-management cooperation in the clothing industry, comments, "For example, a manufacturer who would take steps that cause trouble with the union under circumstances in which the latter is capable of interrupting or reducing production would incur . . . serious risks." <sup>48</sup>

Do labor-management patterns tend to follow any particular cycle, based upon the economic status of the industry and consequently upon shifts in relative power? Is it possible to derive sequences of patterns of relationships among various industries, based upon the cyclical way in which they lead or follow other industries through periods of prosperity and depression? What of industries which exhibit growth trends versus those which are declining? Can the particular status of an industry be related to the general level of economic activity and thence to varying patterns of relationships? Is it possible to assess the importance of the economic element, as it may affect relative power, over and against other factors which are present?

In a more general sense analysts have noted the pertinence of the economics of the industry for labor-management relations. For example, with respect to the men's clothing industry Myers and Bloch wrote, "The decline of the industry since the early twenties has also interfered with successful [collective] bargaining because of its pressure on profits, wage rates and employment." <sup>49</sup> Burns has said, "The fact that the newspaper industry has been relatively stable has contributed to stability in collective bargaining relationships." <sup>50</sup> Apart from the relative power aspect, what significance can be attached to the economic condition of the industry as it may affect labor-management relations? Does stability imply that success-

<sup>47</sup> George W. Taylor (85), p. 467.

<sup>48</sup> *Op. cit.* (5), p. 243.

<sup>49</sup> *Op. cit.* (51), p. 448.

<sup>50</sup> Robert K. Burns (9), p. 103.

ful relations are more probable? Or is it possible that an unprofitable or declining industry may provide opportunity for cooperative relationships in an effort to lessen the impacts of the decline? Examination of past studies of various industries and additional investigations should contribute toward assessment of the importance of this factor.

*Economics of the firm.* At a third level with respect to economic factors, analyses have dealt with the economic condition of particular firms. In a recent report Lester and Robie write: "The elements that contribute to satisfactory labor relations are well known. They include *favorable economic conditions* . . ." <sup>51</sup> Kerr and Randall note: "The parties to a collective bargaining process are economically compatible when the minimum needs of the union for wages and 'fringe' benefits can be satisfied by the employer without undermining the economic position of the enterprise or unduly retarding its growth." <sup>52</sup>

In addition to inferences which in the broader sense emphasize the impact of economic factors upon patterns of labor-management relations, there are also more specialized approaches, for example, those which consider economic elements in relation to programs of labor-management cooperation. In this regard Shister writes: "To the author's knowledge . . . in the United States and Canada . . . [there are] on record only three cases of union-management cooperation having been introduced when the bargaining unit was in a relatively 'prosperous' condition." <sup>53</sup> This may be qualified somewhat if cooperation is taken to mean only situations where the purpose was to reduce unit costs, as Shister appears to indicate: ". . . all union-management plans to diminish unit costs of production during a peace-time period arose only because the bargaining unit was in an adverse economic situation." <sup>54</sup> In 1941 Slichter

<sup>51</sup> *Op. cit.* (37), p. 113 (italics ours).

<sup>52</sup> *Op. cit.* (32), p. 51.

<sup>53</sup> Joseph Shister (70), p. 87.

<sup>54</sup> *Ibid.*, p. 88.



wrote: "Sixteen of the twenty-two enterprises which agreed to start union-management cooperation during the last two years were high cost concerns and were faced with serious competitive difficulties." <sup>55</sup> On the other hand the study by Dale (14) indicates considerable adoption of cooperative programs by "dominant" as well as by "subordinate" firms, although the economic purpose was stronger in the latter and weaker in the former, and cooperation was defined more broadly than in terms of unit cost reduction.

Joseph Scanlon, in a series of seminars at the Massachusetts Institute of Technology in 1946-47,<sup>56</sup> noted that some analysts of cooperative programs have claimed (a) that the success of such plans in profitable concerns has been due largely to the fact that the actuality of large bonuses has served as a strong stimulus to the employees; and conversely (b) that the success of such plans in unprofitable concerns has been due in large part to the stimulus afforded by employee interest in job security. These evaluations have caused Scanlon to question the impact of economic factors, and to ask whether there are not perhaps other elements which are more basic in determining the success or failure of cooperative programs. Or, as Whiteford, Whyte, and Gardner write in an analysis of the S. Buchsbaum and Company experiment, "While economic factors must receive careful attention in any union-management study, it is very clear that in this case, as in many others, these factors formed only a small part of the motivation of the people in both camps." <sup>57</sup>

In this general area of economic factors a number of specific inferences, such as those of Kerr and Randall (32) and Lester

<sup>55</sup> Sumner H. Slichter (72), p. 565.

<sup>56</sup> Scanlon, formerly Director of Research for the United Steelworkers of America (CIO) and at present Lecturer in the Industrial Relations Section at the Massachusetts Institute of Technology, made these observations in terms of considerable first-hand experience with the introduction and operation of cooperative programs in the steel industry. See also his "Profit Sharing Under Collective Bargaining" (63).

<sup>57</sup> *Op. cit.* (89), p. 21.

and Robie (37), appear in more or less formal terms. Formulation and testing of hypotheses should provide insights into the relationship between the economic status of the firm and labor-management patterns. Research in this area should include situations with and without formalized cooperative programs. What importance does the economic element have? Are "stable" and "successful" relationships identified with economic profitability and vice versa? Do "other factors" appear to be more important than the economic? Can these other factors be identified and their influence assessed?

Along a slightly different direction, but closely related to the economics of the firm, are the marketing situations in which it operates. Are significant differences in labor-management patterns to be found for firms which sell in purely competitive markets as distinguished from those which operate within frameworks of oligopoly or monopolistic competition? In discussing the problem of trade unions and wage levels, Samuelson humorously notes, "The moral for the self-interested laborer is to apprentice himself to a profitable quasi-monopolistic industry which has plenty of gravy to share."<sup>58</sup> Does such "gravy" (and the possibilities of sharing it) tend to influence patterns of labor-management relations? If so, how? Research in this area would be closely linked to the approaches previously discussed, but greater emphasis might be placed upon marketing situations which affect the economic position of the firm rather than upon economic profitability per se. A comparison of the cotton gray-goods and aluminum or magnesium industries affords one illustration of this approach.

The relative power concept is also noted with respect to the economics of the firm. Braun, discussing the issues involved in circumstances where the union could interrupt or reduce the production of a particular employer, notes that "a large number of competitors probably would deliver the goods which he could not produce."<sup>59</sup> In a slightly different context Pierson

<sup>58</sup> Paul A. Samuelson (61), p. 531.

<sup>59</sup> *Op. cit.* (5), p. 243.

writes, "Obligations are likely to be disregarded under newly established systems of collective bargaining if the agreements do not reflect the relative strength of the two parties, or if one of the parties feels this to be the case."<sup>60</sup> While this "relative strength" may be as much related to political as to economic factors, in many instances such may not be the case. The regard, or disregard, for obligations under an agreement might be examined both with respect to the economic factor and the relative strength of the parties, and other elements which bear upon relative strength.

*Technological conditions.* Closely related to preceding sections is the problem of technology and its effect upon labor-management relations. Gomberg (21) in discussing the success of the Lincoln Electric plan hypothesized that a growing industry (with major technological innovations) could support such a program, but that it would not be applicable to an industry such as cotton textiles. Myers and Bloch note that "Labor relations in the men's clothing industry have been much influenced by certain factors, such as . . . the technical processes of clothing production."<sup>61</sup> Another example in this area is provided by the proposition that the lower the percentage of labor cost to total cost, the greater the chance for stable relations. This would imply that industries where technological considerations demand a large ratio of capital per worker (chemicals, oil) should have more stable relations than industries where the opposite is true (the needle trades).

Research in this area should indicate the validity of these and other contentions. Several specific issues appear. First is the problem of the labor-capital ratio of a firm or an industry. Do firms with a low percentage of labor to total cost tend to have "stable" relations and vice versa? Second, given a specified labor-capital ratio, what is the effect of technological change? Here several subproblems may be found. What are the results if the ratio changes, first with an increase in the capital component,

<sup>60</sup> Frank C. Pierson (56), p. 199.

<sup>61</sup> *Op. cit.* (51), p. 382.

and second with the labor factor? What impacts may be noted if the ratio remains approximately the same, but the form of the capital changes? <sup>62</sup> And, for all cases, what are effects of varying degrees and rapidity of change? What are the secondary effects of technological change upon groups susceptible to the effects of such changes? <sup>63</sup>

A third problem, opening up an entirely separate area of inquiry, is that of technology's effects upon the nature of work. Can differences be found between technologically imposed conditions of work—such as between “skilled” and “repetitive” or “monotonous” processes—which are significantly related to labor-management patterns? Kerr and Randall, commenting upon “the content of the jobs” in the Pacific Coast pulp and paper industry, state, “The high degree of individuality in most of the jobs and the control vested in each worker over the quality of the product breeds a sense of conscious responsibility and pride in his work and the operation as a whole.” <sup>64</sup> Does one tend to find different patterns then for skilled employees, for the unskilled, and for professional workers? <sup>65</sup>

*Location factors.* Location theory has considered the factor of “labor” significant in determining the loci of some types of economic activity. <sup>66</sup> In general, however, it appears that the prin-

<sup>62</sup> For pertinent observations on the relation of the introduction of new plane types in the airline industry (as a “technological” problem) to labor relations patterns, see H. R. Northrup, “Collective Bargaining by Airline Pilots,” *Quarterly Journal of Economics*, 61:533-576 (1947).

<sup>63</sup> For relevant comments on the various problems in this paragraph see the references to Slichter, Derber, and Barnett, in footnote 69, p. 39. Also see John W. Riegel, *Management, Labor and Technological Change* (Ann Arbor: University of Michigan, Bureau of Industrial Relations, Report No. 3, 1942) and E. D. Smith and R. C. Nyman (76).

<sup>64</sup> *Op. cit.* (32), pp. 11-12.

<sup>65</sup> See H. R. Northrup, “Industrial Relations with Professional Workers,” *Harvard Business Review*, 26:543-559 (1948) and “Collective Bargaining by Professional Societies,” in R. A. Lester and Joseph Shister (38).

<sup>66</sup> See Edgar M. Hoover, Jr. (29) for a general analysis of location theories. In a later volume, *The Location of Economic Activity* (New York: McGraw-Hill Book Company, 1948), Hoover develops, upon a higher plane of generalization, many of the concepts found in this section.

cial concern of location theorists with the labor factor has been with reference to supply, quality, or labor "cost" per se. E. M. Hoover, Jr. goes one step beyond this in his study of the shoe and leather industry and notes that "docile labor" and "unorganized labor" have been extremely strong inducements, if not in original location, at least in causing decentralization or movement of plants.<sup>67</sup> He also indicates that for "style" types of footwear, quality of labor may be paramount, but for staple lines (which he further notes is also true for textiles) unorganized labor is the more pertinent factor. For the shoe industry Hoover says that higher costs resulting from organized labor have worked within rather than between regions, and hence the growth of the industry has been checked in specialized centers and stimulated in satellite towns.

Although at the time Hoover wrote his volume unionism had not developed its present strength, it is apparent that the relation between plant location and the labor factor is still a live issue. Reference to the recent case of Textron Inc. and its Nashua mill indicates the contemporary significance of the problem; and, with certain geographical regions still largely unorganized, it may well continue to be of importance.

If it be inferred that "docile" or "unorganized" labor was a pertinent factor in decentralization of the shoe industry, is this still a valid conclusion? Have other factors become significant? Does the evaluation which Hoover made for the shoe industry hold for other lines of economic activity?<sup>68</sup> What effect does the degree of unionization in a particular industry have upon plant movement? These questions, while of importance in their own right and in relation to further investigation do not go directly to the heart of labor-management patterns; therefore, a number of additional topics may be suggested.

<sup>67</sup> *Op cit.* (29), pp. 220, 271.

<sup>68</sup> Hoover, *ibid.*, p. 254, notes that this would be a profitable study. Analysis might also seek to uncover the nature of possible impacts of atomic energy upon decentralization and plant location insofar as this development can be related to the labor factor.

If it be postulated that plant movement is conditioned in any sense by the factor of "docile" or "unorganized" labor, what results are to be noted in the patterns of labor-management relationships for both the new and the old locations? If a plant is moved into an unorganized district (or a new plant opened there), what policies can or does management follow with respect to its labor force? Granting that lower wages may be paid, does it follow that management can adopt any "autocratic" policy of control it pleases? Or must it offer "other considerations" in order to try to keep out unionism? In turn, what are the situational effects on relationships in the old locations? What are the impacts of unemployment, for example? What policies do unions follow? Do they agree to wage cuts in order to try to prevent further movement; relax working rules; or generally surrender some of their powers?"<sup>69</sup> What are the results of these policies? In turn, what courses are taken by management? Research on these topics might well provide information not only on the importance of unionism in relation to location theory, but also on the situational effects of plant movement upon relative power and therefore upon labor-management relations in both new and old sites.

*The role of organization.* In terms of the content of this memorandum, organization is conceived as a structural phenomenon.<sup>70</sup> The way in which a business enterprise or a union is constituted is a general example; whether there is to be a personnel department and whether it should be located in a

<sup>69</sup> For an interesting account of this problem and the approaches taken by various unions (prior to 1935 in most instances), see S. H. Slichter (72), Chapters 12 and 13. See also Milton Derber, "Glass" in *How Collective Bargaining Works* (30), and for a classic account, George E. Barnett, *Chapters on Machinery and Labor* (Cambridge: Harvard University Press, 1926).

<sup>70</sup> This definition appears to be suitable for present purposes, although as in so many other instances one can find a variety of concepts and interpretations. *Industrial Management in Transition* by George Filipetti (Chicago: Richard D. Irwin, 1946) provides a convenient summary of many concepts. See also Alvin Brown (7); he defines the structure (which we have called organization) as "enterprise," and organization as a process (p. 10).

"line" or "staff" position are more specific illustrations. We are interested not only in what may be called the "formal" organization (as defined by the "organization chart") but also in the informal realities of the structure. The scope of this topic is so large and has so many ramifications that it will not be possible to treat all of them in detail. Instead, three areas will be considered: (a) some general aspects, (b) managements and organization, and (c) unions and organization. It should be emphasized that in the latter two areas organization is not viewed as a process. In both these areas interest will center upon those aspects of organization which have implications for interaction rather than upon those elements which relate to one or the other of the parties *per se*.

(a) The literature on organization—and administration, to be considered in the next section—is quite extensive.<sup>71</sup> For the most part, analysis has centered upon the organization of industry, with some attention to religious and military organization. Recent trends, however, have been of a somewhat different nature. Along one line Brown (6, 7) has devoted considerable effort to the development of a "science" of organization. While one of his volumes deals specifically with the organization of industry, it makes use of ninety-six "principles" developed in an earlier work and presumably applicable to organization in general.

A second avenue of approach is being explored by Shartle and his associates. While the focus of this group is "leadership," the role of organization assumes a very important place in the analysis and has been the subject of considerable investigation. Shartle, for example, in presenting a list of some sixteen hypotheses—abridged from a larger group—notes specifically that the hypotheses are concerned with the interaction of two types of factors, one of which is partly a matter of organiza-

<sup>71</sup> For a convenient summary of organizational and administrative developments see George Filippetti, *op. cit.*

tional structure. In addition, Shartle's studies give many insights into the informal aspects of organization.<sup>72</sup>

While the approaches of Brown and Shartle are not related specifically to labor-management relations, it appears that many of the "principles" and hypotheses are amenable to treatment in such a framework. Two examples from Shartle may suggest the relevance of these developments for labor-management relations. One hypothesis is: "In a formal organization, the informal organization within it deviates from the formal structure in greater degree when formal communications diminish." Communication is more extensively considered later in this memorandum but one comment may be made here. The broad problem of informal units within a formal organization and the impacts of these informal groups upon labor-management relations is important. Where are the "real" influences and powers within an organization? What are the relationships between informal units and power, and how do these characteristics differ from what appears on the surface? In turn, what are the impacts of informal units in both parties upon patterns of labor-management relations?

A second hypothesis developed by Shartle is: "Stratification is positively correlated with size and age of organization." What

<sup>72</sup> See Carroll L. Shartle (67), pp. 6-7. Several psychologists with whom the writer has talked have stated that formal organization is only of secondary importance, and that many informal types can operate successfully if the human element is properly considered. For a successful example of very informal organization (although admittedly a special case), see the account of the M.I.T. Radiation Laboratory during the war, in John Burchard, *Q.E.D., M.I.T. in World War II* (New York: John Wiley & Sons, 1948) pp. 234-235.

For two additional and extremely pertinent discussions of formal and informal problems of organization and administration see Carroll L. Shartle, "Organization Structure," Paper delivered at Third Annual Conference on Current Trends in Psychology, University of Pittsburgh, February 18, 1949 (to be published in 1949 by the University of Pittsburgh Press in a volume entitled "Current Trends in Industrial Psychology") and D. McGregor, I. Knickerbocker, M. Haire and A. Bavelas, "The Consultant Role and Organizational Leadership: Improving Human Relations in Industry," *Journal of Social Issues*, 4 (3):3-54 (1948).



importance does stratification have for labor-management relations, if any? An examination of management and union groups of various ages and sizes and subsequent analysis of stratification may reveal important impacts upon patterns of relationships. An additional value in research in this area is the possibility of utilizing interdisciplinary approaches. The program being undertaken by Shartle and associates is of this nature, with personnel from various fields working in close cooperation.

(b) With respect to management and organization two general subject areas seem to have been of particular interest. The first primarily involves the ways in which business enterprises are or can be organized, and the relation of such organizational forms to factors such as efficiency, productivity, and profitability. Beginning at least as far back as the work of F. W. Taylor (84) there has been an interest on the part of practitioners in the relations between organizational types and efficient functioning of the business enterprise. For the most part, however, only indirect consideration has been given to the implications of organizational types for relationships with, e.g., unions.

Recently there has been increasing interest among research personnel in the impacts of organization upon patterns of labor relations. The National Planning Association's series of case studies on the "Causes of Industrial Peace Under Collective Bargaining" consider certain of these issues indirectly, as do various other inquiries cited in this memorandum, but it is generally difficult to single out specific conclusions. Hence, a number of research subjects may be noted briefly. Comparative studies might be made of enterprises with "line," "functional" (although Taylor's form may be hard to find), and "line and staff" forms of organization,<sup>73</sup> and of their impacts upon labor-

<sup>73</sup> Although there is no unanimity of opinion concerning the definitions of these terms, they are used here in their more commonly accepted sense. For an introductory account of these concepts, see W. B. Cornell, *Organization and Management in Industry and Business* (New York: Ronald Press, 1947), pp. 19-27.

management patterns. Secondary structural forms such as the divisional type of organization and the nondifferentiated form might be contrasted. Decentralization, especially in its geographical sense, is another issue. Does a firm with plants in different localities exhibit variations in labor-management relations, compared to a firm with all its units in one area? Or is the location factor of no apparent significance—is the problem rather one of administration (to be considered in the next section)? On these questions Harbison and Dubin's analysis of General Motors (25) is pertinent.

What influence do factors other than specific organizational forms have? For example, what is the role of size? Hill notes that "The growth of industrial enterprises has made it possible for abuses [as in labor relations] to become more serious."<sup>74</sup> He identifies as contributing factors the loss of direct contact between management and worker, the fact that lines of communication have now become so long that they work imperfectly or in one direction only, and the ease with which the original meaning and content of policies can become perverted. Does this mean, *ceteris paribus*, that an enterprise which is small has a better chance of developing desirable relations? Or can sound organization and administration overcome these obstacles? Is there an optimum size in terms of stable labor relations? Kerr and Randall note, for example, that the "blessing of smallness" has favored the Pacific Coast pulp and paper industry but that "smallness" is not always a positive factor.<sup>75</sup> Another problem involved here is that of the physical location of top management. What results are found where top management is located at or near the plant or plants, as compared with instances where there is "absentee" direction?

A second topic in the management sphere relates to "organizing for labor relations." In earlier decades this issue concerned nonunion as much or more than collective relations, with

<sup>74</sup> Lee H. Hill (27), p. 57.

<sup>75</sup> *Op. cit.* (32), p. 14.

emphasis upon the importance of giving labor relations an important place in the enterprise, and with the organizational forms most suitable for performing this function. Paull (54) and a sizable group of subsequent practitioners have analyzed this issue for earlier as well as recent periods. With unionization an accomplished fact in large segments of industry today, the "need" aspect of organization for collective relations is no longer stressed. Instead the emphasis is primarily upon how it shall be accomplished. In this respect, much recent analysis is centered upon the organizational "location," and consequently upon the scope of delegated authority, of industrial relations and personnel administration departments. Should such departments be "located" in a staff capacity with respect to the total organization, and consequently be limited to advisory functions, with the line having the responsibility for decision making? Or should these departments also actively participate in the decision-making processes required in the over-all organization?

The general consensus seems to be that the personnel function is the concern of the line. In order to provide assistance to the line, "service" units such as industrial relations or personnel administration are valuable adjuncts, however. These service units should operate in a staff capacity (except of course with respect to their own departments) and should perform advisory functions only. Decisions based on their advice should be a function of the line personnel. The reasons for this view are several.<sup>76</sup> First, in terms of attitudes it indicates that top management has not shunted this important responsibility to a "side" department. Second, with respect to channels of responsibility it means that there is less opportunity for divided authority: an employee does not answer to his foreman in one area, say production, and to a personnel administrator in another, such as discipline. Or, in contract negotiation, the

<sup>76</sup> See some pungent comments by Douglas McGregor (40); see also Pigors and Myers (57), Chapter II.

situation does not obtain where those who must operate under a set of stipulations (the line) are not those who write them.

In these respects Kerr and Randall's section on "Personnel and Labor Relations: A Line Job" notes: "Personnel and Industrial Relations problems have been handled solely by the line organization, with staff specialists . . . serving in an advisory capacity . . . The general policy has been to place the responsibilities for leadership on the 'next man above,' where it can be exercised in the most personal manner."<sup>77</sup> McGregor and Scanlon refer to the difficulties created when "the personnel department was . . . a substitute for line management in labor relations matters," and how the situation improved when the line reassumed the function.<sup>78</sup> In a study made by Straus the "labor department" is specifically line, not staff, but the structural arrangement is complex and difficult to follow.<sup>79</sup>

Yet there are situations where staff units are delegated responsibilities for phases such as contract negotiation or for discipline.<sup>80</sup> Can comparative studies of the line and staff roles in labor-management relations reveal additional implications for resulting patterns? This problem has had some exploration but further investigations would be helpful, especially if enterprises can be found where the labor relations departments appear to be functioning "successfully" in line roles.

(c) In relation to unions and organization there are several sub-issues. One of these involves the craft versus the industrial

<sup>77</sup> *Op. cit.* (32), pp. 23-24.

<sup>78</sup> *Op. cit.* (41), pp. 19-21.

<sup>79</sup> *Op. cit.* (79), pp. 43-47.

<sup>80</sup> The personnel department in the Bundy Tubing Company appears to act in a line capacity. W. F. Whyte notes, for example, how personnel took over discipline and how the foremen were glad to be rid of the function (90). As the focus of Whyte's study was elsewhere, he unfortunately does not analyze this line-staff problem further. Another example of the line role of an industrial relations department is to be found in the Sharon Steel Corporation. See J. Wade Miller, Jr., *Causes of Industrial Peace Under Collective Bargaining, Case Study No. 5: Sharon Steel Corporation and United Steelworkers of America* (Washington: National Planning Association, 1949), pp. 10, 28-32.

type of organization. Analysis of this issue appears to center mainly in the respective philosophies of these two types as they have evolved historically, rather than in the specific structural aspects of the two types as they might affect labor-management relations. Investigations might be undertaken therefore on the organizational forms of various unions and the implications which may exist for labor-management patterns. Are there any basic or inherent variations in structure which contribute to variations in resulting patterns? Or is this primarily a matter of administration (to be considered in the next section) so that the manner of operation is the more important? Is simple convenience an issue, that is, is the net advantage of bargaining with one industrial union as compared with many craft unions one of ease? Or do problems such as the "power" of a single unit overbalance this?

A second area shades over into administration and involves the locus of power within unions as it affects labor-management patterns. Shister notes, for example, that the "locus of control over actual bargaining with employers leaves an appreciable impact on the resulting labor agreement in each case."<sup>81</sup> According to Myers and Bloch, "The broad authority of the unions international office has been of vital significance [in men's clothing] for bargaining on a local basis could never achieve stability."<sup>82</sup> The focal point in this latter case is not upon industry-wide bargaining (to be considered in the next chapter) but upon the organizational set-up as it relates to contract negotiation and administration.<sup>83</sup>

<sup>81</sup> Joseph Shister (69), p. 513.

<sup>82</sup> *Op. cit.* (51), p. 449.

<sup>83</sup> This issue's effect upon labor-management relations has many contemporary implications. For a current example involving the typographical unions and their local-international control structure and its relation to labor-management patterns, see the Trial Examiners' Reports, Nos. IR 1638, 1655, 1658, National Labor Relations Board, Washington, D. C. For an excellent summary analysis of "the effect of the bargaining unit on the bargain," see Sumner H. Slichter, "The Economics of Collective Bargaining" in *Collective Bargaining Contracts* (Washington: Bureau of National Affairs, 1942), pp. 48-50. Also for an

General aspects of union organization have been treated by Shister (68, 69). Constitutional questions, as they relate to internal union organization and functioning and as they influence relations with management, have been analyzed by Taft (82, 83) and others. Rival unionism, as an interorganizational issue involving many aspects of interaction, has been treated by Galenson (19). There are numerous other ramifications to this general problem. Research in this broad area might seek to uncover a number of relationships.<sup>84</sup> What impacts are to be noted when the organizational charter provides for centralized "authority"—as in contract negotiation—as compared with "local" autonomy? This may be partly an administrative question, where power has moved one way or the other, but there are likely to be many structural aspects of the problem. Also, what of the authority of the rank and file in matters such as approval of contract terms, especially in connection with centralized versus local organizational control? (This again is partly an administrative question.) What of union size, considered as comparable to management's problem, with respect to relationships between the parties? These are possibly some of the major issues relevant to the impacts of organization upon patterns of labor-management relations.

Unlike certain topics discussed earlier, the subject of organization is much broader and has many more ramifications. Moreover, there appear to be far fewer specific inferences, and many more broadly generalized implications than was true of other subjects. Hence, research might first seek to identify relationships in order to formulate specific hypotheses for purposes of evaluation. It appears that many aspects of this area may yield valuable findings for labor-management relations.

analysis of representation problems under differing organizational forms of group bargaining, see R. A. Lester and E. A. Robie (36), p. 95, comment no. 7.

<sup>84</sup> For one illustration of problems in this paragraph, see F. H. Harbison and R. Dubin (25), pp. 26-45. The various case studies in the National Planning Association's series on "Causes of Industrial Peace Under Collective Bargaining" provide other examples.

*Administrative factors.* Organization was defined in the previous section as a structural concept most simply typified by the "organization chart," and attention was directed to the importance of variations from the formal structure, that is, to the fact that what actually exists may be very different from what a formal chart indicates. Administration is in turn, for the purposes of this memorandum, defined as the manner in which policy formulation and execution take place within the given organizational structure.<sup>85</sup> Policy may be defined as a "statement of intention that commits management to a general course of action in order to accomplish a specific purpose."<sup>86</sup> The manner in which administration is exercised through individual or group "expression" (as in "authoritarian" methods) will be considered later under the role of personality.<sup>87</sup> The analysis here will center primarily upon the concept of policy itself.

Accepting the existence of this concept, the initial question is: how significant are policies in labor-management relations? John Dunlop at the 1948 Conference on Training and Research in Industrial Relations, sponsored by the University of Minnesota and the Social Science Research Council, expressed this hypothesis: "*Ceteris paribus*, the better the inter-

<sup>85</sup> Organization and administration have been defined in the way which seemed most closely to approximate common usage in writings on labor relations. That there is wide variation in the use of these terms is readily ascertainable from the literature. For example, administration is sometimes defined as "policy formulation" and management as "policy execution." Again, administration is taken to mean "supervision," and in yet another sense as "the endeavor of the members of an enterprise to accomplish its purpose." The definitions developed by Neil W. Chamberlain (11), pp. 21-32, merit considerable attention in relation to adoption of a common terminology.

<sup>86</sup> Pigors and Myers (57), p. 22. Here again there is considerable disagreement on terminological grounds. R. A. Gordon (*Business Leadership in the Large Corporation*, op. cit., pp. 51-53) criticizes the use of the term and suggests "decision making" as an alternative—an alternative which is being used increasingly.

<sup>87</sup> See F. J. Roethlisberger and W. J. Dickson, *Management and the Worker* (Cambridge: Harvard University Press, 1941) for a pertinent discussion of many topics considered in this section.

nal policies and processes [type of policy, its formulation, and execution] the better the relationships of management and labor.”<sup>88</sup> This presumes the existence of policies and thus takes cognizance of “good” versus “bad” types. One step back of this, however, is the problem of policies versus no policies. Pigors and Myers state, with respect to personnel policies as one segment of the general policy problem: “Personnel policies are necessary in an organization because management cannot deal with each employee *solely* as an individual.”<sup>89</sup>

These conclusions suggest that research might be undertaken in several directions. First, can organizations be found which deal on individual, day-to-day, nonpolicy bases with their employees? If so, are they of necessity only small organizations; and does an increase in size necessarily require formal policy development? If such organizations are found, is there in actuality a series of “informal” policies even though formally this may not be the case? If organizations can be found for policy versus no-policy comparisons, what relevance do these differences have for labor-management relations? Also, it may be possible to make “before and after” studies of organizations which have adopted detailed and specific policies after operating on a very informal basis.

Second, for situations in which policies are expressed, for example, those agreed to in a collective-bargaining contract, what can be discovered about the formal versus informal ways in which they are viewed? What are the impacts, if any, upon labor-management relations? Straus, analyzing the Hickey-Freeman Company – Amalgamated Clothing Workers situation, notes in a section entitled “The Contract—A Scrap of Paper” that written contracts per se are simply not important.<sup>90</sup> There is a disregard for the written word, and a concern with the “inten-

<sup>88</sup> Although the writer has preferred to use only published materials, Mr. Dunlop’s informal statement is so pertinent that it is deliberately included, even though the criterion “better” was not defined by Mr. Dunlop.

<sup>89</sup> *Op. cit.* (57), p. 22.

<sup>90</sup> *Op. cit.* (79), p. 34.



tion" of the agreement. On the other hand, Harbison and Dubin found for General Motors that formality is very important.<sup>91</sup> Allowing for differences in size and for the length of bargaining relations, are there relevant implications for patterns of relationships? Or are these approaches results of past relations, rather than determinants of the present? Differences in short- and long-run points of view would probably account for certain variations here.

Third, whether policies are formal or informal, the process of their formulation appears to have significant implications for labor-management relations. In terms of the criteria used by various investigators, unilateral policy making does not seem to yield as "positive" results as does "management by consultation." Kerr and Randall note the gains achieved when, e.g., foremen were "given an opportunity to formulate policies" or when the union was consulted on various issues.<sup>92</sup> Straus comments on the positive role of the "union as a partner to decisions" in eliminating unborn grievances.<sup>93</sup> McGregor and Scanlon note the "values" accruing from bilateral action.<sup>94</sup> This general topic is treated in more detail in the next chapter, but a few suggestions may be made here. What part does the method of policy formulation—unilateral or shared—play in patterns of labor-management relations? Attention might be focused not on what "should be," as "ethical" norms, but on what the results have been in terms of specific criteria. To be sure, the nature of the criteria will influence the conclusions but this influence may be minimized if "objective" measurements such as the number of grievances or work stoppages are used.

A fourth topic is the nature of specific policies. There is a wide variety of possibilities here, and only one or two illustrations will be given. With respect to the negotiation of collective

<sup>91</sup> *Op. cit.* (25), pp. 58-62.

<sup>92</sup> *Op. cit.* (32), pp. 18-20.

<sup>93</sup> *Op. cit.* (79), pp. 47-48.

<sup>94</sup> *Op. cit.* (41), pp. 39-43.

agreements there are differences in management's use of attorneys. McGregor and Scanlon report: "Contrary to the policy adopted by many management people of turning over all the responsibilities for collective bargaining to the company lawyer or a firm of lawyers in the industrial relations field, the president of Dewey and Almy kept himself relatively free of the confusion and conflict of the legalistic approach to the problems of collective bargaining. . . . As a result neither party has depended upon legal talent as a substitute for collective bargaining."<sup>95</sup> Can an evaluation be made of this policy as compared with the "contrary policy" mentioned by McGregor and Scanlon?<sup>96</sup>

Communication affords a second illustration of a specific policy element. Carey (10), Franklin (18), and Hill (27) among many other practitioners point out the relationship between the dissemination of information and labor-management patterns. On the research level Scott and Homans, in an investigation of wartime wildcat strikes, observe: "In the long run, a number of the strikes seemed to stem from faulty communication."<sup>97</sup> The investigations of Harbison and Carr (26), Kerr and Randall (32), Whyte (90, 91), and others have shown the importance of patterns of communication for resultant labor-management relationships. Problems here involve not only the structure of lines of communication but also types of informational media and contents to be used. On this topic a study by Helen Baker (1) provides an informative analysis of the transmission of information through management and union channels and its relation to the understanding of industrial relations policies. Additional research on this topic might seek specifically to assess the influences of the structure, media, and content of communication upon labor-management relationships. Similar investigations

<sup>95</sup> *Ibid.*, p. 14.

<sup>96</sup> For pertinent suggestions on the impact of varying policies upon collective bargaining see Neil W. Chamberlain, *Collective Bargaining Procedures* (Washington: American Council on Public Affairs, 1944).

<sup>97</sup> Jerome F. Scott and George C. Homans (64), p. 281.

might be made for the many other facets of over-all policy—for unions as well as management.

Although the preceding discussion of administrative factors and the element of policy as an integral part of administration has sought to outline certain specific topics, several additional explicit inferences as to policy could be more fully presented. These inferences, however, appear to be as much or more “pattern determined” as “pattern determining,” and for that reason are developed in the next chapter.

*The role of personality.* The “need for human relations in industry” has possibly received more emphasis in recent years than any other single topic in the labor-management field. Except for it, perhaps no other factor has been so publicized as an element contributing to labor-management relations as has “personality.” Since the personality factor may be considered as operative within the array of elements previously discussed, it is placed here in the sequence.

Only a few diverse examples of the role of personality will be presented.<sup>98</sup> They have been chosen from comments of both practitioners and research personnel so as to indicate both general and specific aspects of the role of personality, and to point out the relevance of this factor in both contract negotiation and the broader operating areas of labor-management relations:

It is obvious that the nature of the interaction between management and union will be influenced by the personalities of the participants. . . . [and] It is obvious, therefore, that the foreman's methods of handling his men, his attitudes, and his personality are important factors influencing the growth of union-management relations. (Knickerbocker and McGregor, 33, pp. 10, 12.)

<sup>98</sup> See also Eli Ginzberg, *The Labor Leader* (New York: Harper & Brothers, 1948), especially Chapters I, III, IV, and IX, for comments on the role of personality in labor leadership; Andrew H. Whiteford *et al.* (89) for a case analysis of personality factors; and C. Wright Mills, *The New Men of Power: America's Labor Leaders* (New York: Harcourt, Brace and Co., 1948) for general remarks.

Sidney Hillman's name dominates the labor relations story in the men's clothing industry. . . . The name has taken on a legendary significance that symbolizes the philosophy underlying the peaceful labor atmosphere. (Straus, 79, p. 5.)

The elements that contribute to satisfactory labor relations are common knowledge. They include . . . honesty and fair dealing, reasonableness and understanding of the viewpoints and problems of the other side, *personalities* and economic philosophies *that are compatible*. (Lester and Robie, 37, p. 113, italics ours.)

Salesmen and purchasing agents generally possess a more natural ability for handling management's relations with unions than do operating officials. (Golden and Ruttenberg, 20, p. xxiv.)

[In an analysis of the influence of personalities upon labor-management cooperation, after identifying a number of individuals and cases,] These are all men of high competence in their field. They have a high degree of production and technical knowledge and the salesman's touch; they have the ability to make decisions quickly and correctly, they possess persuasiveness, far-sightedness, great physical endurance. (Dale, 14, p. 110.)

Intelligent labor leaders frankly admit there would have been far less strife between workmen and bosses in the past if there had been fewer arbitrary bosses and more humanitarian ones. (Millholland, 47, p. 57.)

Men like to be led by a strong leader. (Spriegel and Lansburgh, 78, p. 96.<sup>99</sup>)

Occurring in the writer's discussions with management and union representatives, the following quotations may be pertinent: <sup>100</sup>

The most important single factor making for successful labor-management relations is the personalities of the spokesmen for

<sup>99</sup> See the remainder of their chapter for other personality facets of the "good leader."

<sup>100</sup> These have been adapted from the writer's unpublished Ph.D. thesis, "Management, Labor, and the Concept of Control," Massachusetts Institute of Technology, 1947.

both sides. [This was reiterated in essentially similar form by a considerable number of officials.]

One of the reasons why we feel our relations are good with the company is that if the going gets tough [as during collective bargaining] we can take time out and have a drink together—the boys are human.

I feel our success in getting along with — Union is because of the responsible and statesmanlike attitude of the top union officials.

Three conclusions may be drawn from these citations. First is the belief that “personality” is a very important (and in some cases the most important) situational factor contributing to successful or unsuccessful labor relations.<sup>101</sup> Second is the nebulous and in many cases stereotyped nature of the personality traits in question. Terms such as “responsible,” “honest,” “understanding,” “tough but fair,” and “humane” abound, and while their content may be tacitly understood by the participants, considerable lack of precision in their general definition and interpretation is nevertheless apparent.<sup>102</sup> Third, as Shartle has pointed out to the writer, many if not most investigators seem to treat personality in the popular sense, as an entity or composed of elements, rather than in the more rigorous sense of behavior. Therefore, in terms of research planning questions, investigation of this topic might be considered as a process comprising several stages.<sup>103</sup> The first steps would involve studies of individual behavior and the development of definitions and classifications of such behaviors. The next steps would deal with the relation of activities of persons in labor-management situations to other factors or patterns.

In addition to personality elements as they relate to manage-

<sup>101</sup> See the comments of Myers and Bloch, *op. cit.*, p. 448, on the role of the personality of administrators in the men's clothing industry.

<sup>102</sup> See, however, Benjamin M. Selekman (65), especially Chapters VII-IX, for a thought-provoking approach to many of these problems.

<sup>103</sup> The steps outlined are based upon suggestions received from Carroll L. Shartle.

ment and union personnel per se, consideration also may be given to their influence in relation to third parties such as mediators and arbitrators. Concerning one aspect of this relationship Lester says, "Experience seems to indicate that it is unwise to have the same persons engaged in mediation, which is diplomatic, and arbitration, which is judicial."<sup>104</sup> Selekman (66) infers that negotiation of collective-bargaining contracts is akin to the methods of diplomacy rather than of business.<sup>105</sup> In conjunction with a broader analysis of the personality roles, it may prove instructive to investigate patterns of individual behavior in these specific situations.

*Factor "combination" and labor-management patterns.* In previous sections emphasis has been placed primarily upon the unique and differential impacts which specific background factors may have upon patterns of labor-management relations. It is obvious, however, that industrial relations patterns are not the result of any single factor, although a given factor may under specified conditions prove to be particularly significant. Patterns are rather the result of a complex interplay of background factors previously noted plus other elements about which our knowledge may be meager or which are imperfectly understood at the moment.<sup>106</sup> Selekman's observation that there is "an interrelatedness of everything in collective bargaining" is particularly pertinent (cf. p. 15 *supra*). Therefore, in addition to research which attempts to assess the differential impacts of a given factor upon industrial relations patterns, valuable results should be obtained in investigations which seek to evaluate varying combinations of factors. Indeed, a considerable body of material implicitly or explicitly uses this approach.<sup>107</sup> The conclusions in many of the chapters in *How*

<sup>104</sup> R. A. Lester (35), p. 732.

<sup>105</sup> Carroll L. Shartle, in a letter to the writer, notes that psychologists are wary of type labels such as "diplomatic" or "judicial." Hence it appears that this area of inquiry should prove fertile ground for interdisciplinary cooperation.

<sup>106</sup> See the Appendix for comments on methodology.

<sup>107</sup> See the quotation from Lester and Robie, pp. 9-10 *supra*.

*Collective Bargaining Works* (30) exemplify an implicit drawing together of background factors in relation to their impact upon specific patterns of industrial relations. The case studies of the National Planning Association and research under way at various institutions, as reported in the *Memorandum on University Research Programs in the Field of Labor* (46), appear to be oriented toward an explicit assessment of various situational elements as they contribute to industrial peace or toward the determinants of labor-management relations. The first case study in the National Planning Association series, that by Kerr and Randall (32), is an excellent example of analysis and synthesis of a broad range of situational factors.<sup>108</sup>

Methodologically, it would be feasible in research of this type to start with the situation and carry exploration backward to the conditioning or determining factors; or to develop hypotheses concerning combinations of factors and then to apply these hypotheses to differing situations. Whichever approach is used, the results should enhance our understanding of the influence of background factors upon patterns of labor-management relations. Much remains to be done, however, in developing research techniques useful for such investigations. As Lester and Robie note: "Available material does not permit any close assessment of the relative importance in achieving and preserving good relations of such factors as economic conditions, personalities, and policies. In the absence of knowledge that a certain factor or fixed combination of factors will assure a particular result, care should be exercised in commenting about *the* cause, or even *the* causes, of harmonious relations."<sup>109</sup> These comments should act as a challenge for future research on background factors.

<sup>108</sup> For an excellent listing of a comprehensive series of factors, see Clark Kerr, "Outline of Suggested Factors to be Covered in Case Studies of Labor-Management Relations," Appendix I in C. A. Myers and J. G. Turnbull, *Research on Labor-Management Relations: Report of a Conference Held on February 24-25, 1949, at the Industrial Relations Section, Princeton University* (New York: Social Science Research Council, 1949).

<sup>109</sup> *Op. cit.* (37), p. 114.

## CHAPTER III

### PATTERNS OF INTERACTION AND THEIR CONSEQUENCES

#### *Introductory Comments*

In the preceding chapter attention was directed to background factors which various investigators hold to be of importance in "conditioning" or "determining" patterns of labor-management relations. The method used there in presenting research inferences and planning questions was an inversion of situational analysis. Instead of taking the situation as given and searching for underlying elements, the latter were considered as given, and inquiries made into research inferences and planning questions concerned with the impacts of these elements upon varying patterns. The focus was "forward" in nature—on pattern or "situation determining" rather than "determined" factors.

Now, while recognizing the mutual and reciprocal nature of "determining" and "determined" factors it is possible to change the focus and to inquire into the impact of labor-management relations patterns themselves. For example, it has been noted <sup>1</sup> that inferences have been developed to show the impact of the firm's economic position upon resulting labor-management patterns. Conversely, as will be outlined shortly, inferences concerned with the effects of relationship patterns upon the economic profitability of the firm can also be found. Here the emphasis is on patterns and their differential impacts upon various factors (not necessarily the identical background factors previously discussed), upon other phases of the pattern itself, or upon other groups in the economy. The use of these two approaches—the "situation determining" and the "situation

<sup>1</sup> See pp. 33-36 *supra*.



determined"—is not based upon an abstract or arbitrary system of classification, but upon the fact that research inferences and planning questions have been developed in both these ways. Perhaps one reason for this difference in approach is the implicit distinction made between short- and long-run points of view. In the short-run setting in which many investigations appear to be couched, the distinction between pattern "determining" and pattern "determined" has a logical basis. In the long-run view, all things become causal and the distinction is not as clear-cut. If these time differentials are kept in mind, the separate approaches should not prove troublesome.

The research inferences and planning questions considered in this chapter truly call for situational analysis as previously discussed. For example, in analyzing the inference which relates labor-management patterns to the economic profitability of the firm, it is not sufficient merely to examine the relationship between pattern and consequences. In addition, we must ask the important question: what features in the pattern or situation contribute to varying impacts upon profitability? Hence the inquiry may ultimately delineate the array of factors which influence the pattern or situation. This in turn may lead to a recasting or modification of the significance of various background factors, or to an exploration of new elements not previously considered or known.

Analysis of patterns of interaction and their consequences therefore calls not only for examination of patterns themselves, but also for an inquiry into what there is in the pattern that produces the consequences. In certain inferences and planning questions developed in this chapter, the nature of the pattern is not specifically outlined; in other cases, such as Harbison and Dubin's "power center" concept, the pattern itself receives considerable emphasis. Hence in some cases the pattern per se may be considered in greater detail than in others. One additional point may be noted here. In most cases the patterns discussed in this chapter are viewed in the literature in a "normative"

sense, e.g., as "constructive" or "cooperative." In certain instances, however, the pattern is descriptively viewed as an "objective" entity without any normative connotation—a pattern of "industry-wide bargaining" as an example. All this poses certain methodological problems.

It was hoped that for each of the factors analyzed in the preceding chapter it would be possible to locate references showing the converse impacts of labor-management patterns upon the factors. Within the compass of the literature examined this proved to be difficult. Apparently, students of labor-management relations have found certain topics, such as impacts on ethnic, racial, and religious factors, outside the range of their interests. For other factors, such as the effects of various relationships upon the general level of economic activity, the problems are so complex and difficult that little more than theoretical speculation has taken place. There is, then, no simple correspondence between the impacts of factors upon patterns and vice versa. Hence this chapter will deal with topics as found in the literature; for convenience the general order used in the last chapter will be followed.

### *Research Inferences and Planning Questions*

*Labor-management power centers and conflict versus cooperation.* In the literature on labor-management relations the types of patterns which give rise to various consequences are not always clearly delineated. There is, to be sure, considerable implicit hypothesizing, e.g., that "constructive" patterns have certain impacts and "nonconstructive" other results, and "cooperation" as a pattern is frequently noted to be influential in various ways; but in general, pattern analysis has not developed much beyond this stage.

Harbison and Dubin, however, have gone one step beyond the patterns of conflict and cooperation and have developed a pattern on a higher stage. They analyze this pattern not only for its impacts upon the lower-level patterns of conflict and

cooperation but also for influences upon specific elements such as productivity and profitability. This higher-stage concept is that of the power center. In a series of six observations regarding labor-management relations in a power center, they say: "A fifth observation is that in labor-management power centers, the areas of conflict usually overshadow the areas of cooperation."<sup>2</sup> They hold that "constructive" union-management relations in turn are more likely to be found in small or medium sized companies.<sup>3</sup> Developmentally, the power centers generally set the pattern; the smaller companies then usually bargain within a framework which in many ways has been set by these power aggregates. The reason for the predominance of conflict in power centers stems in part, say Harbison and Dubin, from "the concentrations of power on both sides and the consequent struggle for dominance and leadership." (It is previously suggested that the development of "power" on one side makes for a logical development of it on the other.)

It appears that this concept of the power center as the pattern setter is viewed in terms of a dominant company acting as the pattern setter and a hierarchy of lesser satellites acting as pattern followers. The concept does not appear to be applied in terms of group or industry-wide bargaining. Although the observation might be extended to an industry as a power center with its impacts upon other industries rather than other companies, this does not seem to be inherent in Harbison and Dubin's thesis. Certainly Kerr and Randall's (32) analysis of the Crown Zellerbach Corporation and the Pacific Coast pulp and paper industry does not sustain the view that a power center in the group sense (if such may be defined) is necessarily or even customarily a conflict center.

If Harbison and Dubin's observations be accepted as applying to an intra-industry situation where bargaining is on a company-by-company basis, a number of suggestions may be

<sup>2</sup> *Op. cit.* (25), p. 187.

<sup>3</sup> *Ibid.*, pp. 211, 221.

made for further research. Initially it might prove worth while to set up a typology of bargaining systems in order to see where the power center concept is applicable, and to note quantitatively and qualitatively the importance of such centers. Second, if a power center structure is hypothesized, the nature of it might be examined in detail. Does one company normally play the role? Does the center tend to shift, both over time (with temporary or permanent changes) and with respect to different issues? <sup>4</sup> What is the process of growth and development of such centers?

A second area of research relates to conflict and cooperation in power centers and satellite bodies. While Harbison and Dubin note that constructive contributions have been made in power centers (the grievance machinery-umpire system in General Motors and the job classification program at U. S. Steel are cited as examples), <sup>5</sup> the observation still holds that areas of conflict tend to be more significant. This inference might well stand further examination—including the criteria problems of what is meant by conflict and cooperation and what their net effects are. For example, Harbison and others have noted that there might be certain values in “constructive conflict.” Conflict and cooperation in power centers versus satellite units also should be analyzed further. For example, while U. S. Steel may “set the pattern,” is it a fact that conflict is greater there than in certain of its satellites? A re-examination of these patterns might clarify the ramifications contained in Harbison and Dubin’s observation.

On an inter-industry basis the role of power centers might also be investigated. Is the influence of the power center in industry A, if such be hypothesized, felt in other industries? If so, how does this influence vary in terms of the closeness or remoteness, materially or functionally, of the related industries to the power center?

<sup>4</sup> See *ibid.*, p. 181.

<sup>5</sup> *Ibid.*, pp. 198–199.

*Impacts upon the competitive position of the enterprise.* What are the impacts of varying patterns of labor-management relations upon the competitive position of the business enterprise? It is patent that there is an effect, whether favorable, unfavorable, or neutral. The question is: just what relationships exist between patterns and competitive positions? Perhaps no generalized answer can be given—"it depends" upon the situation. Perhaps the whole argument is circular, whatever patterns lead to a bettering of the competitive position are "good" patterns and vice versa. Yet this issue may stand closer scrutiny. Relevant analyses appear to have been made largely upon a situational basis. McGregor and Scanlon devote a chapter to this problem and conclude for the Dewey and Almy Chemical Company that "there are no important practices or policies of either party . . . which interfere seriously with the achievement of the economic purpose of the enterprise."<sup>6</sup> They note, however, that there is less than the highest level of motivation toward strengthening the competitive position of the company, and they give a series of reasons therefor. On an industry basis, Kerr and Randall note for West Coast pulp and paper that labor-management relations have not resulted in a worsening of the industry's competitive position.<sup>7</sup>

On the other hand, Wolf in an analysis of the railroad industry notes that many work rules are obsolete and "are not conducive to economy nor always necessary for efficient operation."<sup>8</sup> In a specific situation—the Studebaker-UAW relationship—which has been defined by the authors as "constructive," Harbison and Dubin note that the corporation has not been completely satisfied with the status of production in the plant.<sup>9</sup> They suggest that the question of productivity will be a central one when competition becomes stiffer.

<sup>6</sup> *Op. cit.* (41), p. 61.

<sup>7</sup> *Op. cit.* (32), pp. 67-68.

<sup>8</sup> Harry D. Wolf (93), p. 379.

<sup>9</sup> *Op. cit.* (25), pp. 163-164.

In a slightly different context Pierson comments: "Serious difficulties [in the fulfillment of contractual obligations] are likely to occur under long-established systems [of collective bargaining] if certain firms in an industry or some segments of it are placed under handicaps by reason of the agreements."<sup>10</sup> This proposition summarizes in a general way the more specific statements made above. Although "handicaps" may be interpreted widely, it may be assumed that the ultimate linkage is with respect to the competitive situation of the firm.

On a more specialized basis Lester and Robie (36) make a series of observations regarding the impacts of wages under national and regional collective bargaining upon competitive positions. The wage factor also has received considerable attention in the literature in relation to the competitive position of business firms. Along another line Dale (14), Scanlon (62, 63), Shister (70), and Slichter (72) have analyzed the effects of programs of labor-management cooperation upon productivity and in turn upon competitive situations.

Is all that can be said concerning the relation of labor-management patterns to competitive position circular in nature? Can meaningful hypotheses be developed which relate these two issues? Do what have been defined as "constructive" patterns always lead to competitive improvement and vice versa? What complex of elements is pertinent here? Detailed investigations of this area might yield worth-while results.

*Impacts upon economic profitability.* A section of the preceding chapter considered the possible impacts of the economic profitability of a firm upon labor-management relations. This subject can be looked at also from the opposite pole—the relation of labor-management patterns to economic profitability. In many ways this problem is integral with those analyzed in the previous section, but there are enough distinctive aspects to warrant separate treatment.

<sup>10</sup> *Op. cit.* (56), p. 109.

The inference is frequently made that "good"<sup>11</sup> labor and personnel relations help to make a firm profitable. Dale (14) has cited a number of instances where labor-management cooperation, as a form of "good" relations, has increased profitability. Yet he, Scanlon (63), and others have been careful to point out first the important impact of other factors upon profitability, and second the fact that positive results do not necessarily or always flow from "good" relations.

While the opposite inference, that "bad" labor and personnel relations make for profitability, has not been written about, to the writer's knowledge, there appear to be a number of instances where "poor" relations exist and yet the business firm is unusually profitable and successful.<sup>12</sup>

If it can be established even relatively that enterprises which have conspicuously "poor" labor-relations patterns still show high profitability (admitting the serious definitional problems present), what happens to the commonly accepted conclusion that "good" relations contribute to economic success? Can the role which labor-relations patterns play in economic profitability be more clearly delineated? Are labor-management relations merely one of many profit factors or are they decisive? Does their role vary in differing situations? Can a typology be developed so as to indicate the importance of differing labor-management patterns in various economic situations? In rela-

<sup>11</sup> We are again faced with problems of terminology and criteria. What do "good," "bad," "successful" mean? These terms are here used in a loose popular sense—the only possible sense as the terminology now stands. (See also the Appendix.)

<sup>12</sup> It has not been possible to locate specific substantiating references in the literature. This idea was first brought to the writer's attention by Douglass V. Brown, and it has been repeated a number of times since then. Sumner H. Slichter pertinently comments upon one aspect of this problem, production, when he notes: "Bad relations between the union and management certainly do not help increase the output of the plant. Nevertheless, bad relations between unions and management seem frequently to have surprisingly little effect upon production. This is a matter which needs further exploration. There seem to be many plants which are highly efficient despite the fact that relations between the union and management are bad." (75, p. 48.)

tion to this problem, factors such as the type of business, production and marketing aspects of operations, and the firm's labor market might be examined. For example, what can be learned of situations where a firm, through advertising, can maintain or expand the market for its differentiated product as compared with cases where this cannot be done? Is there a differential importance of labor-management patterns in these and other varying situations? Research on this problem may help to provide a better understanding of the significance of labor-relations patterns for economic profitability.

*Labor-management relations patterns and technological change.* The possible impacts of technological change upon patterns of labor-management relations were considered in the chapter on background factors, but this problem may also be examined from the opposite point of view: that of the consequences of patterns of relationships upon technological change. Slichter, discussing this latter issue, cites Gordon Bloom's tentative conclusion that the effect of union bargaining pressure upon technological discovery is slight.<sup>13</sup> It might be supposed, notes Slichter, that upward wage pressures, as one possible impact of collective bargaining, would be expected to result in an increase not only in the attractiveness of labor-saving devices in general but also, in terms of short-run effects, in the rapidity with which such devices are discovered and introduced. But Slichter thinks that factors other than these are probably more important.

While Slichter concludes that managements in the railroad, clothing, and printing industries—which have been unionized for many years—are not “more alert, thorough, and far-sighted”<sup>14</sup> than managements which have not operated under union pressures, he notes that it is difficult to reach the conclusion that union pressure on wages has no effect. In an earlier

<sup>13</sup> Sumner H. Slichter (74), pp. 198–199.

<sup>14</sup> See pp. 81–82 *infra* for further discussion of impacts of unionization upon management “efficiency.”



analysis he had concluded that "The great pressure which collective bargaining puts on wages will tend to accelerate technological change so long as collective bargaining does not extend to research workers and does not, therefore, tend to raise the cost of discovery."<sup>15</sup> Although this statement and that noted previously may seem somewhat contradictory, an examination of the specific context in which they were written and of the author's further remarks leads to the conclusion that they are much more reconcilable than would appear on the surface.

Wages and wage pressures may be considered, however, as but one segment of the broader area of labor-management relations. Hence in addition to further examination of the impact of wages upon technological change, it may be worth while to investigate other aspects of labor-management patterns for their possible effects upon technology. While Slichter has inferred that the long-run effect of unionism was negligible in the past, is this conclusion valid today in light of the growth of union power?<sup>16</sup> Is it possible to delineate relationships between various patterns and the differential consequences upon the discovery and adoption of labor-saving devices and other technological innovations?

*Customer, prices.* Lester and Robie, in their analysis of constructive labor relations experiences in four firms, note that while none of these firms are in industries that have been subject to severe price competition since 1933, there is no evidence that they, in comparison with competitors, have sought to purchase "good" labor relations at the expense of customers.<sup>17</sup> The analysis also indicates that the industrial relations patterns found in these four companies did not include formal cooperative programs designed to reduce operating costs.<sup>18</sup> Kerr and Randall note that "consumers have paid about the same prices"

<sup>15</sup> Sumner H. Slichter (71), p. 129.

<sup>16</sup> Recent technical developments in the field of printing appear, for example, to have some relationship to labor "troubles" in that industry.

<sup>17</sup> *Op. cit.* (37), p. 110.

<sup>18</sup> *Ibid.*, p. 113.

although wages have substantially increased, i.e., that "good" relations have not been "bought" at the expense of customers.<sup>19</sup>

Evidence of the impact of cooperative programs upon the customer may be found, however, in Braun's analysis of the clothing industry. Braun concludes that the public has doubtless benefited from the remarkable decline in industrial disputes and warfare. In terms of the effect of cooperation on prices he notes that it is not possible to trace specific results but that it is unlikely that prices have diverged from the general price level.<sup>20</sup>

The above citations are not hypotheses, but rather statements of fact or generalized conclusions based upon studies of particular industries or firms. They do not specifically indicate what impacts differing patterns of labor-management relations might be expected to have upon prices to consumers of the industries' or firms' products. They do, nevertheless, open up a series of research planning questions. Granting the difficulty of tracing specific price results, as noted by Braun, can research indicate, ordinarily at least, the impacts of varying patterns of labor relations upon product or service prices? Can any differential impacts be noted in cases where there are formal cooperative programs designed to reduce costs? What price results can be observed if cooperation succeeds in cutting costs? How do the gains of such reductions in cost tend to be divided among consumers, employees, and management? The serious problem of isolating general changes in product or service prices, in prices of raw materials, and in wages, as well as technological changes, cannot be minimized. Yet there may be considerable value in extending research in this area.

If a typology of patterns can be developed, it should be possible to analyze cases in which price stability or reduction is not only not obtained but the customer may actually suffer disadvantage. Perhaps the term "collusion" is not inapt here as

<sup>19</sup> *Op. cit.* (32), p. 71.

<sup>20</sup> *Op. cit.* (5), pp. 250-251.

an indication of the type of labor-management pattern which may lead to this result. Certainly managements and unions "cooperate" for many purposes, and among them may be maintenance or increase of tariffs, keeping outside competition away from given localities, lobbying for mutual benefits, joint advertising to increase product sales, and other means. Where "cooperation" becomes "collusion" is in many of these instances very hard to define. Yet the power which can be wielded jointly by large aggregates of management and labor may have a very significant bearing upon the well-being of the democracy and the economy. There is, therefore, need for analysis of the pricing situations to which varying patterns of industrial relations may lead.

*"Union affairs."* Earlier sections of this chapter have dealt with impacts of patterns of relationships upon various "management" interests—policy development, the competitive position of the firm, and economic profitability. Although incidental attention was paid to impacts upon the union, as in policy development, the principal focus was elsewhere. Various investigators, however, have analyzed the consequences of labor-management patterns upon union functioning.

In their analysis of the Pacific Coast pulp and paper industry Kerr and Randall make a series of observations on the results of labor-management relations for the "union's account."<sup>21</sup> They note that the unions have attained essential security, that there has been no struggle for the loyalty of the workers, that union leaders have been as secure as they could well be in democratic organizations, and that gains have accrued in other ways. In turn, the unions have had to guarantee the performance of their members, which on occasions has required difficult disciplinary action against individual locals and members.

Straus (79), in a chapter entitled "Effect of Relationship on Union Affairs," comments both upon the internal affairs of the union and upon its relationships with management. While it is

<sup>21</sup> *Op. cit.* (32), pp. 68-69.

difficult to distinguish precisely between union activities and policies which have arisen from within that organization and those which have been "conditioned" largely by relations with management, it is apparent that the latter influence is strong. For example, the union's "industry point of view," while partly a philosophy developed by leaders of the labor organization, appears to have evolved in no small measure out of interactions with management.

These are but two of many references to the impact of patterns of labor relations upon union affairs. These and other analyses are essentially factual in nature; they comment upon the specific ways in which union operations have been conditioned by patterns of relationships in the situations studied. Generalized inferences are not fully developed, except for the broad conclusion that impacts are to be noted. Hence research in this area might first seek to define or structure the concept of "union affairs," including the many components contained in such a category. It might then be possible to assess the impacts of varying relationship patterns upon such affairs.

A subsidiary issue which has received some specific attention is that involved in union stability, particularly when certain management functions are shared or jointly determined. The many fundamental implications of this problem—ethical, legal, political—will not be discussed here inasmuch as they are competently discussed elsewhere, particularly by Chamberlain (11). Instead attention will be focused upon the more specific topic of union stability as it has been analyzed for various situations. Some investigators have indicated that union entry into the decision-making processes of management may well result in internal dissension in the union and consequent instability. In the functional area of job assignments, Smith and Nyman (76) note for the Naumkeag Steam Cotton case that joint effort to increase job assignments failed and resulted in the ousting of union officials who participated in instituting the "stretch-out." Slichter, commenting on the same case, concludes that it is bet-

ter for management to assume the primary responsibility for job assignments and for the union to challenge or criticize management's proposals. He also indicates how cooperation may create a gulf between union leaders and the rank and file.<sup>22</sup> That this possibility is recognized by the unions themselves is indicated in a series of cartoons in the *U. E. Guide to Wage Payment Plans, Time Study and Job Evaluation Plans* (87). Here the divisive influence of pitting unionist against unionist is brought out in the case where a union member acts as a time-study rater. Contrariwise, solidarity is shown as being developed when management does the rating and the union can stand united in the role of challenger or protester.

On the other hand, there are numerous examples where union cooperation or participation—as in the area of work standards and piece rates—has not resulted in union schisms and instability (and this is true even in several cases where the U. E. has participated). The experience of the Apex Electrical Manufacturing Company of Cleveland affords one instance<sup>23</sup> and that of the Management Engineering Department of the ILGWU another. William Gomberg (22), head of this Department in the ILGWU, has indicated, with respect to work standards and piece rates, that the union will have to enter the picture at some point and it might well be initially.

Research on the impact of various patterns of labor relations upon union stability might seek to answer such questions as these: Does union cooperation or participation imply instability of the union? What are the characteristics of situations where the rank and file oust their leaders as a "bunch of management stooges?" Why in other cases is stability not an issue at all? Can a typology of patterns be developed which assesses differential impacts upon organizational stability? Are conflicts usually between the rank and file and union officers, with the former suspicious of the actions of the latter in, e.g., cooperative pro-

<sup>22</sup> *Op. cit.* (72), pp. 558-559.

<sup>23</sup> See Ernest Dale (14), pp. 43-44.

grams? Or may union participation in various functional areas develop splits among the rank and file themselves? Does stability vary with the "crisis" nature of experiences—developing in critical cases such as the Naumkeag example, and failing to become an issue when there are no crucial alternatives? It may be that research of this type would provide valuable clues for understanding situations which are likely to lead to union instability and those which are not.

*Labor-management relations patterns and the worker.* The impacts of patterns of labor-management relations upon employees, taken singly or collectively, are extremely important and apparently may be felt in manifold ways.<sup>24</sup> Kerr and Randall, discussing the "worker's account"—as a consequence of labor relations patterns in the Pacific Coast pulp and paper industry—make a number of observations about the employee. They note that individual workers have "come closer to securing benefits without costs than the employers or the union." Higher wages, security, low accident rates, and uniform job evaluation—and hence equitable treatment—are several of the advantages which workers have obtained. Yet, the authors note, the employees have not uniformly benefited. Wage uniformity, for example, has probably tended to hold wages below what high profit mills might be willing to pay.<sup>25</sup>

McGregor and Scanlon, discussing similar topics, note that the workers have benefited from improvements in grievance procedures and in policies developed to relocate technologically displaced employees, and through the general processes of bilateral action between management and the union.<sup>26</sup> Straus notes that the Amalgamated Clothing Workers' philosophy that "only what is good for the industry can, in the long run, be good for workers" has led to a situation where union members have

<sup>24</sup> See, for example, W. D. Stotts, M. E. Withrow, and R. Phillips, *Labor-Management Cooperation: A Case Study in the Minneapolis Laundry Industry* (Minneapolis: University of Minnesota, Industrial Relations Center, 1946).

<sup>25</sup> *Op. cit.* (32), pp. 69-70.

<sup>26</sup> *Op. cit.* (41), pp. 37 ff.

fared well: "Their economic gains include 'fringe benefits' which represent one of the most complete insurance programs . . . so far negotiated by any union." <sup>27</sup>

It appears that an extensive area here is open for research. If some typology of patterns of labor-management relations, and a definition of the "worker's account" can be developed, it may prove feasible to inquire into the varying consequences which are felt by the worker. Do "constructive" relations necessarily imply a betterment of the worker's account? Is the converse true? This type of analysis might consider not only workers who are "included" within a pattern of relationships, but also those who may be "excluded," as in cases of restricted hiring practices.<sup>28</sup>

*Policy development.* It was noted in the section on administrative factors in the preceding chapter that specific policies—for example, the use of attorneys in the bargaining process—may have definite impacts upon the nature of the resulting patterns of labor-management relations. Conversely, the actualities and the development of these patterns may have causal significance for the nature and form of future policies of both managements and unions. Illustrative of this mutual interdependence is Harbison's analysis of seniority in mass production industries. Interest here centers upon that part of his conclusions which concerns the impact of patterns of relationships upon future policy formulation. Harbison notes:

The experience of the railroads has shown, however, that once rigid seniority systems are accepted by the employer, they tend to become rooted in employment policies and to be accepted by both sides in spite of the development of more constructive union-management relations as time goes on. . . . *In the end therefore employment policies may lie beyond the control of both management and labor.* . . . Union-employer rela-

<sup>27</sup> *Op. cit.* (79), p. 69.

<sup>28</sup> See the many pertinent comments on larger problems in this area by Arthur Kornhauser in C. A. Myers and J. G. Turnbull, *op. cit.*

tions may then become dependent upon laws or formulas rather than on the more flexible processes of collective determination.<sup>29</sup>

In the last sentence Harbison indicates the impact of various background factors upon labor-management relations, and this part of the citation might well be considered in connection with the discussion in the last chapter. The italicized portion of the quotation is, however, of major interest at this point not with respect to the seniority systems *per se* but the impact of relationship patterns upon policies in general.

If it is inferred that employment policies may be influenced strongly or decisively by the patterns which have developed, can the same be said for other specific policies? Can this be claimed for union policies as well as for those of management? Can the nature of various impacts be traced so as to indicate the role played by labor relations patterns in conditioning future formulation of both specific and general policies, including content and manner of formulation?<sup>30</sup>

The next four sections analyze more specifically certain inferences relating to policy formulation and execution. In many ways these sections might well have been included in the preceding chapter since they relate to policy elements which are pattern or "situation determining" in part and hence could have been treated in the discussion of administration. On the other hand, these developments are in large measure also "pattern determined." For example, adoption of either the "problem-solving" or the "principle" approach to labor relations—as one facet of the total relationship pattern—will have a significant impact upon patterns which later develop. Contrariwise, the adoption of one or the other of these approaches may be strongly conditioned by the patterns which exist. And, since

<sup>29</sup> F. H. Harbison (23), p. 864 (*italics ours*).

<sup>30</sup> On manner of formulation see Harbison and Dubin's inference that "bargaining between big unions and big corporations often leads to internal centralization of decision making and policy determination on both sides." (25, p. 184).



for the most part the following four sections deal with situations which have developed over time rather than with "initial" situations, they are included here. In any research on these topics, however, both types of impacts—of patterns and upon patterns—need to be taken into account.

*The "problem-solving" versus the "principle" approach to labor relations.* In comparing patterns of relationships at General Motors and Studebaker, Harbison and Dubin (25) use as analytical tools the concepts of the "problem-solving" approach to labor relations versus the more rigid "principle" approach. In the former method emphasis is placed upon the substance of the problems considered; in the latter, on fixed principles.<sup>31</sup> Scott and Homans view the latter as "an attempt to deal with the situation in terms of . . . 'logics' and not of the situation itself."<sup>32</sup> Harbison and Dubin hold that the problem-solving approach is clearly the superior method (though they recognize that a degree of "formalism" may be a necessity for the larger entities). They describe the component aspects of this method from the view of both attitudes and techniques.<sup>33</sup> In essence, the attitudes revolve around flexibility, the two-sided nature of bargaining and the necessity of resolving issues rather than "winning cases." The techniques, in turn, include informality in negotiations and the necessity of definite and explicit bargaining agreements.

This type of approach has been discussed by both management and union spokesmen in such phraseology as "What'll it cost?" or "What'll it take?" The essence of the problem-solving approach, as exemplified in these quotations, is that issues are not to be bargained over in terms of rigid principles but rather

<sup>31</sup> Although these approaches are discussed in general terms in this section, there are numerous specific applications. One example is the application of the clauses of a collective agreement, which is discussed in a later section in this chapter. For a pertinent analysis see Neil W. Chamberlain, "Collective Bargaining and the Concept of Contract," *Columbia Law Review* 48:829-847 (1948).

<sup>32</sup> *Op. cit.* (64), p. 284.

<sup>33</sup> *Op. cit.* (25), pp. 207-208.

resolved through the give and take of both sides, in terms of what is "in the situation." And this give and take does not necessarily imply compromise; it may involve a *quid pro quo* or a reconsideration of the position of the parties, but it does connote an open-end attitude on the part of both sides.

That the problem-solving approach does not entirely dispense with the concept of "principles" is clear from the Studebaker study by Harbison and Dubin (25) and from the Crown Zellerbach analysis by Kerr and Randall (32). While "rigid" or "inflexible" principles may not be a part of this approach, there is some uncertainty as to just how far these rigidities are relaxed. For example, in both these cases it seems clearly indicated that management's principle of insisting on "calling the signals" in enterprise operation is a fundamental belief held with considerable tenacity. That problems in this area have been resolved to date may, therefore, be more of a testimonial to techniques than to attitudes.

The problem-solving approach may well be subjected to further scrutiny. The attitude facets might be examined for a variety of patterns and the relative importance of each assessed. Where management, for example, has a well-established policy on its right to control enterprise operation, how does it meet union challenges to such control? Can criteria be set up which will indicate the impacts of labor-management patterns upon choices made? Or, where management or the union "on principle" claims that it has a right to adopt or use certain policies, what effects do various patterns have upon the outcome? Conversely, what alterations or evolutions of patterns arise from such developments? A re-examination of the inherent nature of policy and decision making as it is affected by patterns of relationships may prove profitable. The "policy centered" and "person centered" approaches to personnel problems as developed by Pigors and Myers (57) might be analyzed here for possible application—perhaps substituting "problem centered" for "person centered."

*"Specific" versus "interpretive" collective-bargaining agreements.* Closely related to Harbison and Dubin's (25) inference on legalistic arbitration as found in the General Motors Corporation and the problem-solving approach at Studebaker<sup>84</sup> are certain observations made by McPherson and Luchek (42) for the automobile industry in general. The latter authors, writing at an earlier date (1942) than Harbison and Dubin, include in their analysis a consideration of the relationships between the umpire system at General Motors (then just two years old) and its possible development in other companies, and the scope and content of collective-bargaining agreements. Although the passage of time has more or less confirmed the "fears" of McPherson and Luchek that collective-bargaining agreements might become increasingly long and detailed, their observations still remain of interest. After outlining the development and nature of the arbitration system at General Motors and its possible adoption elsewhere, they note:

Such a development [the arbitration system] would not only insure continuity of production, but might also arrest an alarming trend in agreements in this industry. Earlier contracts were relatively brief, with broad and general provisions. The more recent ones are increasingly long and detailed, attempting to advance solutions for every possible contingency. If this trend continues, a relatively young and dynamic industry will be saddled with minute, rigid regulations. Such regulations, while preventing certain abuses, would sometimes lead to unjust or unreasonable settlements to the detriment of management, employees and the public. If disagreements can be entrusted to an impartial chairman having reasonably broad powers of interpretation, negotiators of agreements could limit themselves to drawing up more general provisions, knowing that these would be applied fairly to individual cases.<sup>85</sup>

Now, as Harbison and Dubin—writing five years later—have indicated, the impartial chairman at General Motors has not

<sup>84</sup> See pp. 74 *supra* and 80 *infra*.

<sup>85</sup> W. H. McPherson and Anthony Luchek (42), p. 630.

been given broad powers of interpretation, but in general has had his discretionary freedom increasingly circumscribed. Also, contracts in the automobile industry have become increasingly complex. Certain of these aspects have been previously considered, but several additional points may be analyzed here.

If it be inferred that long and detailed collective-bargaining contracts are not as satisfactory as those more general in nature, what factors in the pattern of management and union relations have contributed to so extensive a growth of specific agreements in the automobile industry? What has been the experience of other industries in this respect, first as to whether detailed agreements have developed and second the reasons for this development or lack of it? Conversely, what can be ascertained about patterns of relationships which are associated with or modified by general versus specific agreements? Comparative studies of general and detailed contract situations may reveal not only pertinent pattern elements giving rise to the differences in beliefs and procedures, but also pattern configurations which develop subsequently.

*Arbitration over "rights" and over "interests."* One basic way in which arbitration forms may be defined is in terms of "rights" and "interests."<sup>36</sup> In the former case the interpretation of the terms of an agreement already in force is under consideration; in the latter, the terms of a new agreement in process of negotiation. A significant problem has arisen concerning the impacts of arbitration under each of these types. Certain issues arising out of arbitration over rights are considered in the next section; attention is here centered upon arbitration over interests.

Copelof, commenting as a practitioner, says with respect to arbitration over the terms of a new contract: "Every well informed person connected with labor relations in either an industry or union capacity agrees that the best contracts are those negotiated directly . . . without intervention or assistance."<sup>37</sup> He notes, however, that intervention is necessary and

<sup>36</sup> See John V. Spielmans (77).

<sup>37</sup> Maxwell Copelof (13), p. 10.

inevitable in some circumstances, as when the public interest is vitally affected. This reference is not directed so much to issues of compulsory arbitration as to problems of "interests." Copelof gives a number of illustrations of arbitration over interests; most of the examples appear to involve one of three areas—wages, union security, and seniority.<sup>88</sup>

Pierson (56) devotes two chapters to an analysis of adjustment machinery under old and new agreements in a strictly temporal sense, meaning respectively bargaining relationships which have had a long history, and those which are more recent. In this sense "old" and "new" are not comparable to "rights" and "interests." Pierson does note, however, that in newer bargaining relationships there is a tendency to lump together basic contract changes and terms of the present agreement, while in older situations this division is rather well recognized.

Spielmanns notes the very small percentage of agreements examined which provided for arbitration over interests.<sup>89</sup> Kennedy in a cogent analysis of arbitration in the full-fashioned hosiery industry comments on the authority of the impartial chairman for the industry.<sup>40</sup> Jurisdiction in this industry has been limited to "secondary" arbitration (over rights) and does not include the "primary" form (over interests). Myers and Bloch (51), commenting upon the men's clothing industry, note that in the 'twenties bargaining superseded arbitration as a means of adjusting wage levels (a problem of interests).

Yet in these and other analyses it is difficult to find the reasons why arbitration over interests has been adopted or rejected. Is it simply a matter of what is to the best interest of the parties? Is it because a third party—the arbitrator—is "not competent to judge the interest of the respective parties?" Historically viewed, for example, what have been the attitudes of managements and unions on arbitration over interests? (While the

<sup>88</sup> *Ibid.*, Chapter 11.

<sup>89</sup> John V. Spielmanns (77), p. 311.

<sup>40</sup> Thomas Kennedy (51), pp. 34 ff.

writer has no relevant statistical data, it appears that while arbitration over rights has gained considerable acceptance, that over interests has not.) Have managements and unions changed their positions over time—acceptance first and then rejection, or vice versa? What have been the reasons for adoption of the original position, and what phases of labor-management patterns have influenced changes in position if such have taken place? What significance does acceptance or rejection of arbitration over interests have for alterations in patterns of relationships? Can the impact of this technique, its use or non-use be appraised?

This issue appears to have some important implications in the realm of industrial jurisprudence. Matters of compulsory arbitration, of industries affected with the "public interest," and of the settlement of crucial conflicts are all related here. The problems of "self-resolution" of conflicting issues versus resolution imposed through an outside party (as discussed in pp. 26–27 *supra*) are also linked to arbitration over interests. Research on this aspect of policy should not only contribute to an understanding of the impact of arbitration upon patterns of relationships, but also to the reverse influence which the patterns themselves may have upon adoption of these alternatives.

*"Legalistic" versus "educational" arbitration.* In the system of arbitration over rights—the terms of an existing agreement—two basic policy approaches are to be found.<sup>41</sup> The first is the "legalistic" method where the authority of the arbitrator or umpire is rigorously circumscribed, where his duty is only to pass judgment on the basis of evidence in each case, and where he has no power whatsoever to evolve principles. In the second

<sup>41</sup> For an excellent analysis of many facets of arbitration issues relevant here see Thomas Kennedy (31). See also Ruth G. Gilbert, "An Analysis of the Scope of Private Industrial Arbitration," unpublished Ph.D. thesis, Massachusetts Institute of Technology, 1946, and Douglass V. Brown, "Management Rights and the Collective Agreement," paper given at the December 1948 meetings of the Industrial Relations Research Association, Cleveland, to be printed in the Proceedings of the meetings.

approach the arbitrator has the identical function of rendering a decision on the basis of the evidence, but in addition, in one way or another, he may bring to the attention of the parties the underlying factors "causing" the grievance and suggest changes so as to abolish or minimize future incidents. There are, to be sure, numerous variations of these two approaches. The powers of an arbitrator are generally defined in the contract, but even under this limitation there are different depths to which analysis of the evidence may go, and the nature of a penetrating examination of a grievance case may implicitly raise questions of principle.

It appears that managements are increasingly adopting the legalistic approach, at least in the case of large corporate units. Harbison and Dubin, discussing the General Motors situation, infer that the legalistic arbitration system found in GM-UAW has resulted in order and consistency but at the same time has made for a "dehydration of the human relationships between the parties."<sup>42</sup> This in turn has been one reason for the significance of employee dissatisfaction in many plants. Scott and Homans, commenting on the legalistic form of arbitration, note that men who argue the arbitration cases "behave like any other brilliant attorneys, intent on ferreting out evidence with which to outsmart, outlogicize, and give the lie to their opponents."<sup>43</sup>

Research in this area may cover a number of questions. Is it valid that the policy of legalistic arbitration, while possibly encouraging order and consistency, raises or at least fails to solve many of the fundamental problems involved? If this is so, why have certain managements been so insistent upon the adoption of the legalistic approach?<sup>44</sup> What have union policies been with respect to legalistic arbitration; how do they influence resulting patterns, and how are they influenced by them? What patterns have evolved with respect to "insight arbitration?"

<sup>42</sup> *Op. cit.* (25), pp. 81-85.

<sup>43</sup> *Op. cit.* (64), p. 284.

<sup>44</sup> Harbison and Dubin (25), p. 85, note several reasons in the case of General Motors.

What patterns have been found where management-union policies allow the arbitrator greater scope, and where he may therefore attempt to "educate" the parties? Why has this method evolved in certain cases? Is there any way of reconciling the legalistic approach policy to the human relations problems involved? If it is more satisfactory for the parties to work out their own problems than to have an outside decision, how can this philosophy be fitted into these various approaches to arbitration?

*Unionization as a management incentive.* Slichter, analyzing the impacts of collective bargaining upon the administrative practices of management, concludes that these effects usually have been favorable to production, but in some cases they have not.<sup>45</sup> The ways in which collective bargaining has improved administration and therefore efficiency are noted as follows: (1) the establishment of grievance machinery, permitting workers to challenge managerial decisions, and leading management thereby to be more careful in reaching conclusions; (2) the necessity for management to develop better arrangements for consultation between different supervisory levels; (3) the development of better communication between workers and management.<sup>46</sup> Slichter also notes that unions may undertake to enforce their own decisions on matters which are in management's discretion under the agreement, and that they may require foremen to belong to the same union as the men over whom they work; these are held to be negative in their effects.<sup>47</sup>

Harbison, discussing certain theoretical implications of labor-management relations, comments along similar lines, although with a slightly different focus: "In many cases unionization or the threat of unionization results in greater managerial efficiency. When the union enters the picture, management is forced to devote a great deal more time and consideration to

<sup>45</sup> *Op. cit.* (75), p. 42.

<sup>46</sup> *Ibid.*, pp. 42-44.

<sup>47</sup> *Ibid.*, pp. 44-46.



the working-out of human problems, and the result is very often an increase in working-force efficiency." <sup>48</sup> He cautiously notes, however, that "managerial efficiencies" resulting from unionization and collective bargaining are subject in a great many cases to the "law of diminishing returns"; and that in some cases union activity, as in the imposition of working rules, may result in artificial limitations to management efficiency.<sup>49</sup> He recognizes, too, that in certain instances negative results may obtain, and that "evidence to support the contention that the challenge of unionization results in more efficient management is both meager and to some extent conflicting." He therefore suggests that research on this topic may prove fruitful.

The definition of "efficiency" and the development of a scale of measurement are perhaps the greatest stumbling blocks in research of this type. In terms of cost data, accountants might be able to make contributions of considerable value. While it might prove exceedingly difficult to develop any cardinal exactness in measurement, it should prove possible to obtain ordinal indications within a tolerable range. Once a gauge of efficiency has been constructed, the inferences of Slichter and Harbison might be assessed. The channels through which productivity is improved as a result of unionization should be carefully scrutinized, and if it is shown that unionization does not necessarily result in increased efficiency further exploration should be directed toward the factors which are significant. Nonunionized firms might well be included also for comparative purposes, and their efficiency patterns examined.

*Impacts of national or regional bargaining upon frictions involved in changes in money wage levels.* In their monograph

<sup>48</sup> F. H. Harbison (24), p. 11.

<sup>49</sup> *Ibid.*, pp. 11-12. For other comments on this topic see Emily Clark Brown, "Book and Job Printing," and Harry D. Wolf, "Railroads" in *How Collective Bargaining Works* (30), pp. 169-170, 182, 345-351, 379.

Slichter also notes that the initial versus the continuing impacts of unionization may be very different. See pp. 65-66 *supra*; also, Golden and Ruttenberg (20), p. xxvi, where it is noted that union-management cooperation tends to **make** management more efficient and unions more cost conscious.

on wages under national and regional collective bargaining, Lester and Robie note: "The friction and labor strife involved in changes in money wage levels may be reduced through national or regional bargaining, judging by the experience in these seven industries."<sup>50</sup> The principal reason why such friction and strife is reduced is that the change is concentrated in one industry-wide determination, and hence competition between firms in the timing of wage changes or between unions in exacting concessions from employers is considerably lessened.

If it is the policy of employers and unions to bargain on a national or regional basis, what further conclusions may be adduced? What aspects of patterns of labor-management relationships give rise to the development of this type of bargaining? Can Lester and Robie's inference be validated for industries other than the seven they examined? Can the impact of national or regional bargaining be assessed for factors other than those of changes in money wage levels? What other configurations result when bargaining is done on this basis?<sup>51</sup> Of necessity, this type of research would need to include organizational as well as administrative factors. The literature on national and regional group bargaining is extensive and contains many leads for research. The various bulletins published in the University of Pennsylvania Labor Relations Council series on industry-wide collective bargaining (55) provide excellent source materials.

*Labor-management relations patterns and personality.* Although labor-management research has been somewhat plagued by the nebulous nature of "personality" as it relates to varying patterns of relationships, attention has been devoted to the impact of differing patterns upon personality changes or development. Along one direction is the proposition stated by Pigors and Myers: "Granting that there are exceptions, it is neverthe-

<sup>50</sup> *Op. cit.* (36), p. 95.

<sup>51</sup> See for example the proposition that industry-wide agreements minimize rivalry between local unions, Samuel E. Hill, *Teamsters and Transportation* (Washington: American Council on Public Affairs, 1947), pp. 147 ff.

less borne out in many collective bargaining experiences that, when management is *frank* and *decent* and *friendly*, union leaders will gradually come to act in the same way." <sup>52</sup> Selekman also has dealt with this subject with particular focus upon differing personality types which seem to make positive contributions in evolving management-union situations, and vice versa.<sup>53</sup>

Apart from this type of analysis, which has certain normative connotations, conclusions are to be found which relate varying patterns of relationships to changes in personality characteristics of both management and union personnel. McGregor and Scanlon make these pertinent comments: "Top management has shifted materially from its earlier paternalistic attitude. . . . The union attitude toward the company is likewise friendly and healthy today. Union officials, and the membership in general, openly express genuine confidence in top management." <sup>54</sup> Harbison and Carr note: "LOF [Libbey-Owens-Ford] officials think they have seen a change come over the leadership of the Glass Workers during the past few years. . . . Management likes the personal character of the present union leaders. . . . Union officials are often characterized by management as 'tireless workers.'" <sup>55</sup> In both these cases the pattern has been that of industrial peace, and while there are elements in the above citations which may stand somewhat apart from personality as such, the implication is that these patterns have contributed to personality characteristics.

Admitting the complexities involved in trying to resolve cause and effect or in trying to separate out the reciprocal elements found in the two-way relationship between personality and labor-management patterns, can research illuminate the various influences which differing patterns have upon the factor of personality? Does industrial peace breed one type and con-

<sup>52</sup> *Op. cit.* (57), p. 32 (italics ours).

<sup>53</sup> See particularly his "Wanted: Mature Labor Leaders," *Harvard Business Review*, 26:405-426 (1946).

<sup>54</sup> *Op. cit.* (41), pp. 22-23.

<sup>55</sup> *Op. cit.* (26), p. 43.

flict another? Or is there no necessary relationship? Do varying configurations develop for different levels in the management and union organizations? For example, does a given pattern tend to develop one behavior type for, say, union leadership, and another for the rank and file? On the one hand this problem may be so complex that little can be done; on the other it may not be thought one of the basically important issues. The subject merits inquiry, however, and because of its nature should afford an excellent opportunity for interdisciplinary cooperation.

## CHAPTER IV

### SOME FURTHER RESEARCH SUGGESTIONS AND CONCLUDING COMMENTS

#### *Research Suggestions*

In preceding chapters the attempt has been made to outline and explore briefly a series of topics which various investigators hold to be of importance with respect to: (1) background factors in patterns of labor-management relations, and (2) patterns of interaction and their consequences. The delineation of topics was by no means exhaustive, however, and a few additional areas may be suggested for exploration. These are not treated as fully as topics already discussed since in some cases their development in the literature has not been as complete, while in others they have been competently and rather fully analyzed.<sup>1</sup> Investigations of problems in these areas should prove as worth while, however, as those suggested for subjects discussed in greater detail.

With respect to background factors Kerr and Randall (32), using the term "environment," have suggested a number of other elements which are pertinent: (1) the relation of the firm to the industry, (2) geographical and industrial location, (3) the labor force, (4) regularity of employment, and (5) "mobility" of the firm, as in connection with capital equipment. Inferences have been drawn by Kerr and Randall regarding the impact which each of these elements has on labor-management relationships, and each appears most appropriate for further research.

Using the consequence point of view, additional subjects are

<sup>1</sup> The implications which labor-management relations have for labor mobility, for example, are well covered by Gladys L. Palmer in her provocative *Research Planning Memorandum on Labor Mobility* (New York: Social Science Research Council, Pamphlet 2, 1947).

also to be found. Slichter (74, 71), for example, suggests problems involved in the impacts of collective bargaining upon: (1) the rewards of innovation, (2) the costs of expansion, (3) the response of the supply price of labor to shifts in the demand for labor, and (4) the distribution of resources.

There are undoubtedly many other additional subject areas which deserve attention. The impact of labor-management relations patterns upon political legislation is one example. The problems and processes involved in the larger subject of the "private governments" of labor and management is another. These and other topics, for example, the many pertinent inferences developed by Ross (59), appear to be promising fields for future investigation.

### *Concluding Comments*

This memorandum is predicated on the central proposition that understanding in the field of labor-management relations might be furthered if research were directed toward assessing the validity of hypotheses developed from the research inferences and planning questions examined herein. It has been suggested that such investigations might assist in the development of generalized theory in this field. Before assessment of hypotheses can take place, however, it appears that criteria must be developed so that a common pattern of measurement will be available; otherwise, additive findings do not appear logically feasible. Problems associated with the development of criteria are discussed in the Appendix.

In Chapter II the background factors which have an impact on, or contribute to the determination of, patterns of labor-management relations were examined. Since many of the research hypotheses and planning questions appear to be developed in terms of their effects upon labor relations patterns, the presentation was couched in a "forward" sense—that is, the background factors were examined for their possible impacts upon situations rather than the situations for their determi-

nants. This is a purely procedural matter, however, and does not alter the fundamental nature of the problem or of the methods of research.

If factors have their impacts upon patterns, the latter likewise react upon various elements—reciprocally upon factors, and outward in diverse ways. With respect to the long run, there is a mutual and multilateral relationship of cause and effect in these processes. Chapter III, therefore, sought to explore inferences and planning questions which were primarily oriented to patterns themselves and their impacts upon factors and other elements—the reverse of the approach taken in Chapter II. In several sections of that chapter—those dealing with policy elements—special note was taken of the reciprocal impacts of patterns upon factors and vice versa. Finally, brief note has just been made of additional research topics, which should also prove to be valuable subjects for investigation.

If the central supposition of this memorandum is valid, then it may be hoped that the analysis and assessment of research hypotheses will yield increased understanding of the factors that influence labor-management patterns and, in turn, of the impacts of those patterns upon various elements in the structure. The difficulties of undertaking research on these problems should not be minimized, but neither should the enhancement of knowledge and understanding which may result.

## APPENDIX

### NOTES ON METHODOLOGY

For the purposes of this memorandum it is essential to analyze certain methodological considerations particularly germane to research on labor-management relations, not to engage in a detailed discussion of methodology per se. Four subject areas appear to be particularly relevant:

- (1) The basic nature of the social sciences,
- (2) The design of research programs or undertakings,
- (3) The method of inquiry,
- (4) Specific research techniques.

#### *Nature of the Social Sciences*

This area affords numerous interesting points of controversy but does not require extended discussion in this memorandum.<sup>1</sup> It may be noted, however, that in view of our increasing ability to reduce observations to measurable form and of our improved skills in studying comparable situations, we may be justified in the assumption that our research efforts will become increasingly "scientific." This in no way minimizes the necessity of "understanding" as a concomitant feature of "aggregation"; it rather emphasizes the increasing importance of the quantitative approach.

One related issue deserves brief mention here. It appears to the writer that the *practice* of labor-management relations—whether undertaken by management and union personnel or by third parties such as arbitrators or mediators—is an art rather than a science, in

<sup>1</sup> This area involves the basic questions whether the social sciences can be called "true sciences," and whether "scientific method" can be utilized in their study. The literature on this subject is extensive. For two current and opposing viewpoints see Douglas G. Haring, "Science and Social Phenomena," *American Scientist*, 35:351-363 (1947), and George A. Lundberg, *Can Science Save Us?* (New York: Longmans, Green and Company, 1947). See also C. Reinold Noyes, *Economic Man in Relation to His Natural Environment* (New York: Columbia University Press, 1948), especially pp. 3-18.



the same sense that the art of medicine may be contrasted with the science of biology. Hence, while research on labor-management relations may be expected to be of considerable value in increasing our understanding, it is not to be expected that, e.g., an arbitrator will find a system of principles providing him with tailor-made solutions, or that "additive investigations" will necessarily be cumulative for this purpose. There are still too many imponderables, too many nuances, in any particular situation to afford any simple resolution of the problems encountered. This does not mean, however, that the scientific approach has no relevant values whatsoever; in fact, the opposite is true.

### *Design of Research Programs or Undertakings*

This topic involves the design of research projects, including structure and administration. These elements vary widely, depending upon whether undertakings are designed as "programs" (where a coordinated approach, utilizing a group of individuals and covering an extended time span, is employed) or as individual research. On the administering of research "programs" we shall have little to say, for this is essentially a matter of the outlining of projects, the procurement of funds and personnel, the assignment of specific tasks, and the general guidance of the undertaking. The same procedure is relevant for individual research except for differences in the size of projects.

With respect to the specific nature of "program" design, Marquis in a recent analysis of the form of research undertakings suggests the following procedural steps: (1) problem formulation, (2) review of knowledge, (3) preliminary observation of events under study, (4) theory construction, (5) verification, (6) application of verified theories.<sup>2</sup> In many ways this is an enlargement and extension of the methods of scientific inquiry, and leads us to a consideration of problems involved in the third subject area noted above.

### *The Method of Inquiry*

In its most elementary form scientific method is conceived, in terms of data involved, as: (1) collection, (2) classification, (3) gen-

<sup>2</sup> Donald Marquis (43), pp. 9-13.

eralization, and (4) verification.<sup>3</sup> The steps in this process, as well as those in Marquis' more fully formulated outline, are directly applicable to problems involved in research suggested in this memorandum.

(a) An initial issue arises from differences in starting points—whether well-defined hypotheses are found to exist, or whether there are only inferences or the more nebulous forms of research planning questions. If hypotheses exist it may be presumed that others have explicitly or implicitly collected data or summated experiences upon which the generalizations are based, unless, of course, the hypotheses are meaningless. (And although there is value in “false” as well as in “valid” hypotheses, the same cannot be said with respect to meaningless propositions.) If hypotheses are found pertinent to the area under investigation, the initial stage of inquiry varies from that where only inferences or general research questions are available.

In the latter cases it is necessary first to proceed with hypothesis formulation. Here data collection and classification initially are required not for testing hypotheses (as would be the case in the previous example), but for establishing them. To be sure, propositions may be drawn up without explicit or formal collection and classification of data. But if this is done, the researcher—if he is not to evolve meaningless propositions—must draw upon what he or others have implicitly collected;<sup>4</sup> or of course he may be able to find hypotheses which have been explicitly formulated but which have escaped general notice.

As Cohen and Nagel<sup>5</sup> point out, the method of science is essentially circular; we obtain evidence for principles by appealing to empirical material, and we select, analyze, and interpret material

<sup>3</sup> For a discussion of this topic, relating to the general field of economics, see Raymond T. Bye, “The Scope and Definition of Economics,” *Journal of Political Economy*, 47:623–647 (1939). Also see M. R. Cohen and E. Nagal (12), Book II, and the classic treatise by Karl Pearson, *The Grammar of Science* (London: A. and C. Black, 1911). For a provocative general work see F. S. C. Northrop, *The Logic of the Sciences and the Humanities* (New York: The Macmillan Company, 1947).

<sup>4</sup> We would hold here that hypotheses which arise out of “hunches,” “intuition,” and the like are grounded in some form of implicit experience or observation.

<sup>5</sup> *Op. cit.* (12), p. 396.

on the basis of principle. The argument applies with equal validity to hypotheses. Hence, whether we start with formal hypotheses or with informal planning questions the purposes and procedures are similar except that in the latter case an additional issue is presented.

(b) If hypotheses be accepted as an integral factor in the research proposals suggested herein, and if it also be held that procedural differences exist when hypotheses are available and when they are not, an important issue arises over their nature. In Chapter I it is noted that most findings in the literature on labor-management relations may be more aptly termed inferences.<sup>6</sup> This designation was based upon the formal rather than the popular conception of hypotheses. Cohen and Nagel suggest: "We cannot take a single step forward in any inquiry unless we begin with a *suggested* explanation or solution of the difficulty which originated it. Such tentative explanations are suggested to us by something in the subject matter and by our previous knowledge. When they are formulated as propositions, they are called *hypotheses*."<sup>7</sup>

Thus far it appears that many of the inferences examined in this memorandum might be classed as hypotheses directly applicable in future inquiries. Cohen and Nagel go on, however, to state the formal conditions for hypotheses, and here a distinction can be noted between this term and "inferences."<sup>8</sup> These formal conditions include:

- (1) The hypothesis must be formulated in such a manner that deductions can be made from it and that consequently a decision can be reached as to whether it does or does not explain the facts considered.
- (2) The hypothesis must satisfy the condition of providing an answer to the problem which generated the inquiry.

<sup>6</sup> See, however, the rigorously formulated hypotheses of E. Wight Bakke (3), pp. 6-22, and Milton Derber, "A Tentative and Limited Framework for the Study of Labor-Management Relations (Including Selected Hypotheses)," in C. A. Myers and J. G. Turnbull, *op. cit.*, pp. 4-6.

<sup>7</sup> *Op. cit.* (12), pp. 200-201. For a stimulating discussion of general problems in the initiation of inquiry—the methods of Bacon, Cohen, Descartes, and Dewey—see F. S. C. Northrop, *op. cit.*

<sup>8</sup> *Op. cit.* (12), pp. 207-215.

- (3) That hypothesis is to be preferred which can "predict" what will happen, and from which we can infer what has already happened, even if we did not know what has happened when the hypothesis was formulated. Or, in another sense, it must be capable of *verification* (not necessarily *demonstration*). Its consequences must be stated in terms of *determinate* empirical operations.
- (4) The *simpler* of two hypotheses is the more satisfactory. (Simplicity here is not to be confused with familiarity or understandability.)

Apart from the fact that many investigators have held their inferences to be valid only for the situation examined and not as propositions to be applied to general situations and future inquiries, it appears, if Cohen and Nagel's stipulation be accepted, that many propositions are not formulated in such a fashion as to be classed as hypotheses. An example may prove helpful here. If it is held that the role of personalities is vital in conditioning labor-management relations, the formal conditions for an hypothesis are not met, although valuable clues are afforded. On the contrary, the following statement may be held to approximate an hypothesis: The lower the percentage labor cost is to total cost, *ceteris paribus*, the greater the possibility of "stability" in labor-management relations. (The value judgment problems in the term "stability" will be examined later.)

Derber, working directly in the field of labor-management relations, conceives of an hypothesis as a "tentative generalization based upon experience, observation, or intuition, and subject to scientific test." Although this appears much less rigorously formulated than the prescription of Cohen and Nagel, it implicitly contains the essence of the formal type if Derber's own hypotheses are considered as criteria.<sup>9</sup>

Since these two concepts of hypotheses appear highly similar in essence, if not in the manner of statement, it is not necessary to discuss their relative usefulness for labor-management relations research. It seems apparent, however, that the refashioning of many propositions into the more rigorous form of hypotheses will be essen-

<sup>9</sup> See footnote 6, p. 92.

tial for purposes of inquiry. There do not appear to be any unsurmountable problems involved in this procedure; it is largely an individual problem of structuring or restructuring inferences already developed.

In connection with the development and use of hypotheses it does not seem necessary to consider the concomitant issue of assumptions. The narrower emphasis upon unilateral "causality"—as for example in concentration upon economic factors—has been superseded in large measure by a more eclectic approach, and in turn the assumptions utilized are more "realistic" in nature. That this raises issues of complexity is not to be denied; yet it appears much the more useful method.

(c) A third problem in relation to hypotheses and methods of inquiry is posed in terms of the discrete nature of the inferences and planning questions discussed in the body of this memorandum. While it was noted in Chapter II (pp. 55-56) that the analysis of combinations of background factors is a more realistic approach than individual treatment, it is implied in other sections that specific factors can be assessed. But, is this a valid conclusion? Can one element be lifted out of context and a meaningful analysis of it made? Or is this segmental approach artificial since, as Selekmán notes, there is an interrelatedness of everything in collective bargaining?<sup>10</sup>

In a very real sense the answers to these questions depend upon "what one is looking for." If one is trying to analyze a total situation, the segmental approach by its very nature is not particularly suitable, although with our limited research techniques one may not be able to secure quantitatively precise results from analysis of the total situation. If on the other hand one is interested in trying to ascertain the relationships among several factors, the segmental method has unique advantages, although one must be wary of concluding therefrom that cause and effect patterns have been established.

In certain instances the segmental or topical method has been readily adaptable to experimental approaches. This is true whether the experimentation was carried out by the investigator as part of his research or executed in other ways, as through governmental,

<sup>10</sup> *Op. cit.* (66), p. 35.

industrial, or union policy. Studies on the relationship between hours worked, fatigue, and productivity provide a classic example.<sup>11</sup> Communication with specific respect to the readability of materials has been investigated by Paterson<sup>12</sup> and others. The problems involved in the giving of orders have been experimentally analyzed by Paul and Faith Pigors and generalizations developed therefrom.<sup>13</sup>

Along another direction, the Survey Research Center at the University of Michigan has undertaken studies on the relationship of productivity to supervision and employee morale.<sup>14</sup> While it is concluded in the first study that the results are not presented as generalizations which apply to all types of production situations, the Center is carrying forward additional investigations, some on an experimental basis, and it is hoped that generalizations applicable on a wider scale may be established.<sup>15</sup>

If the segmental approach is considered on other than an experimental basis, a large number of studies have yielded significant information. Practically all inquiries which center upon a specific topic and which utilize the extensive case approach fall into this category. The investigations of Lester and Robie (36) on wages under national and regional collective bargaining, of Helen Baker

<sup>11</sup> Among many reports on this topic see Max D. Kossoris, "Hours and Efficiency in British Industry," *Monthly Labor Review*, 52:1337-1346 (1941); Great Britain, Health Research Board, *A Study of Variations in Output*, Emergency Report No. 5 (London: His Majesty's Stationery Office, 1944); and *Fatigue and Productivity* (Princeton: Princeton University, Industrial Relations Section, Digest No. 12, September 1942).

<sup>12</sup> Donald G. Paterson, "Development of a General Information Sheet for Applicants," reprint from *Personnel*, March 1948, and Donald G. Paterson and James J. Jenkins, "Communication Between Management and Workers," *Journal of Applied Psychology*, 32(1):71-80 (1948).

<sup>13</sup> *Understanding as a Condition of Success in Order Giving* (Cambridge: Industrial Relations Associates, Inc., 1945).

<sup>14</sup> *Productivity, Supervision and Employee Morale*, Human Relations Series 1, Report 1 (Ann Arbor: University of Michigan, Survey Research Center, Study No. 6, 1948).

<sup>15</sup> Dale Yoder and others at the University of Minnesota are also carrying on research utilizing a broader "cross-cut technique." See his *Demands For Labor: Opportunities For Research* (New York: Social Science Research Council, Pamphlet 7, 1948) for comments on the segmental approach. See also W. F. Whyte, "The Social Structure of the Restaurant," *American Journal of Sociology*, 64:302-310 (particularly 308-310) for pertinent methodological comments.

(1) on company-wide understanding of industrial relations policies, of Dale (14) on labor-management cooperation, of Noland and Bakke (52) and Reynolds and Shister (58), and of various contributors to the Labor Relations Council series of studies at the University of Pennsylvania (55) afford but a few examples of this method.

The use of the segmental approach, however, does not imply that total situations should not be examined. Kerr and Randall's study (32) illustrates the pertinent findings which can be obtained from this type of analysis. This study does not provide data on the specific quantitative importance of various factors—that was not its purpose—but it is one of the most comprehensive of all “total” analyses of causal relationships, and as such is invaluable.

Both the segmental and the total situation approaches have a place in research. Certainly both types have yielded valuable results in the past, and may be expected to continue to do so. There is as yet no basis for accepting one and discarding the other. They are different types of tools, adaptable in large part to different types of investigations, and both have their values.<sup>16</sup>

(d) A further problem in the area of methods of inquiry, which is much more troublesome than that of hypothesis formulation, involves the process of verification. It is readily apparent that if hypotheses are to be assessed or tested (or verified or disproved), patterns of evaluatory criteria must be set up. Without measuring devices, measurement cannot take place either in the ordinal or the cardinal sense.

Some four specific points appear to be involved in criteria issues: (1) the basic nature of criteria, (2) substantive matters, (3) quantitative problems, and (4) the hypothetical nature of present patterns of criteria. We shall analyze briefly each of these points.

(1) In the case of theoretical economics, to use one example, if one makes certain basic value judgments (as that on the “value” of economizing) and further postulates certain boundary conditions, by means of formal logic one can deduce under what conditions the allocation of resources will be optimal. There are no successive levels of value judgments involved here, although of course

<sup>16</sup> See the comments of various discussants in C. A. Myers and J. G. Turnbull, *op. cit.*, Chapters 2 and 3.

there is in a sense a value judgment in every choice or decision. Instead the process is a formal one. (Whether the results are "realistic" is of course another problem, which is not germane to the central argument.)

Not all schools of thought would agree with this view however. If "pure competition" is that condition which would provide for an optimal allocation of resources, is that "pure competition" a normative concept? If competition is held to be a "socially desirable" goal, and if action is taken to make it effective, the answer may be clearly positive. If, however, it is viewed merely as one alternative condition—though the one which satisfies the optimal criterion—and not necessarily the one which society "should" choose, then it is less certain whether normative stipulations exist. There may be tautological problems present, but not with reference to norms.

It is not easy to tell where discussions of these matters cease to be useful and pass over into metaphysical speculation. Although problems of this kind may arise in labor-management relations, they have not yet loomed large. The reason is that evaluative criteria seem to be couched almost entirely in normative terms, and hence there is no basis for such comparisons. The existence of criteria terms such as "constructive," "good," "peaceful," or "stable" does not necessarily imply that they are normative, although the semantics involved may strongly suggest it. However, along with these criteria one usually finds the implicit assumption that "good" relations are "good" and to be preferred over those which are "poor." Perhaps this is not unexpected in the light of the dual practitioner-research role of many personnel in the field, the pressing nature of labor-management problems, the relative infancy of the field, and the consequent lack of central theories.

Yet this normative development poses definite problems (quite apart from substantive matters of definition which are considered in the next section). The use of normative criteria does not in itself preclude research which is objective. However, unless there is some agreement on the nature of normative criteria (and in turn upon substantive definitions), it would seem that comparability and universality in the development of principles cannot occur and additive research is made impossible. If two investigators make the value judgment that "peace" is desirable and define it in the same



way, comparability can be secured. If it is defined differently, however, there is immediate variance. And if there is disagreement on the desirability of peace, however defined, the break is complete. Either one of two results occurs then: each investigator builds up his own little domain—which, while it may have many points in common with other spheres is not fully comparable and therefore not additive—or one hopes that in some way one can find “ultimate causes” which have universality and which can overcome this discreteness.

Issues involved in the relationship between criteria used and the selection of problems and of data present additional questions. Although the schools of thought are not yet very clearly delineated, two principal divisions are apparent. One group holds that the selection of criteria determines the selection of problems and of data, and that the entire process requires value judgments in the normative sense as used here. The other maintains that there is of course a “selection process” in the choice of any problem and any data, but that this is not a normative judgment. This group holds, moreover, that the data selected for examination under either approach would be highly similar if not identical.<sup>17</sup> There is little profit in exploring the matter further at this point. First, even the protagonists themselves have not stated their positions in much greater detail, so it is difficult to determine with any precision the various conceptual differences. Second, it appears that value judgments are made on successive levels, so that one soon runs into problems of sophisms and the theory of types of formal logic. And, until more basic work is done on these issues as they relate to labor-management relations, it does not seem profitable to engage in additional speculation. Yet, difficult as these problems may be, it appears that some compromises may have to be made if there is not to be an individualistic research jungle, where building upon what others have done is extremely difficult.

(2) If it is assumed that criteria patterns will continue to develop in the normative sense—regardless of the arguments for and against—is there any way that agreement can be reached on the sub-

<sup>17</sup> See C. A. Myers and J. G. Turnbull, *op. cit.*, particularly the discussion in Chapter 1.

stantive nature of such criteria?<sup>18</sup> While there is some consensus as to what is meant by "constructive," "good," "peaceful," or "stable," there is enough diversity of opinion to impede seriously, if not to make impossible, comparisons of results obtained in studies by various researchers. It is not necessary to examine in detail the variations in meaning of criteria terms as they are used by various practitioners; it is sufficient to note that their existence poses a problem for additive research. Here again some attention to the development of standard terms, if normative criteria are to be the fashion, should prove worth while.<sup>19</sup>

(3) Irrespective of whether normative or objective criteria patterns are utilized, there is need to develop quantifying concepts for

<sup>18</sup> For examples of general criteria patterns and of conceptual and definitional differences the reader is referred to:

F. H. Harbison and colleagues, "A Research Program on the Determinants of Constructive Union-Management Relations" (University of Chicago, Industrial Relations Center, typescript, November 1, 1948), and his outline in C. A. Myers and J. G. Turnbull, *op. cit.*, pp. 6-8.

R. A. Lester and E. A. Robie (37), pp. 10-11.

B. M. Selekmán, "Varieties of Labor Relations," *Harvard Business Review*, 27: 175-199 (1949).

C. A. Myers, "Some Criteria of Good Labor-Management Relations," *Report of the Fourth Annual Conference on Research and Training in Industrial Relations* (Minneapolis: University of Minnesota, Industrial Relations Center, 1948), pp. 1-7.

Dale Yoder, "The Minnesota Frame of Reference in Industrial Relations Research," *ibid.*, pp. 11-19.

*Report of the Governor's Labor-Management Committee in Massachusetts* (Boston: 1947), pp. 8-9.

It appears that, in the literature, the terms "criteria," "labor-management relations patterns," and "patterns of criteria" are used interchangeably. In numerous instances "patterns" appear explicitly or implicitly to connote criteria. See, for example, F. H. Harbison and R. Dubin (25); B. M. Selekmán (66), especially pp. 52 ff.; and E. M. Kassalow, "New Patterns of Collective Bargaining" in R. A. Lester and J. Shister (38). We have used the terms noted above in the less rigorous sense in order to conform to what is found in the literature. There appears to be a genuine need, however, to develop an explicit meaning for the term "pattern." While it is true that the term is most frequently used in a normative criterion sense (e.g., "constructive" or "cooperative"), it is also used by some writers in a descriptive-objective way, as in a "pattern of industry-wide bargaining."

<sup>19</sup> See the comments of Lloyd G. Reynolds in C. A. Myers and J. G. Turnbull, *op. cit.*, pp. 27-29.

testing purposes. Many statistical tools are already available and it appears that the central issues here are not so much matters of technique as of criteria, though of course there is a most important need for additional and more refined techniques. Quantitative comparability should not be difficult to achieve in the testing of hypotheses if agreement can be reached on what is to be quantified; this problem is related to points (1) and (2) above.

(4) A final criteria problem involves the hypothetical nature of the patterns of measurement already developed. In nearly all instances the propounders of such criteria patterns do not seem to view them as "standardized" scales. Instead these patterns are themselves viewed as hypotheses, so that we are left in the very difficult situation of not being able to test our hypotheses because even the "tests" are in hypothetical form. The modest position taken by those who have developed criteria is commendable, and perhaps in the relative infancy of research in this area not much more is possible. Yet here again some attention to these matters should prove worth while.

### *Research Techniques*

Finally, it may be appropriate to comment briefly upon specific research techniques. This subject is so extensive as to preclude detailed discussion. Yet, although some specialists think it is possible to discuss specific methodology profitably only in connection with particular research problems, several observations may be justified. There is little doubt that, apart from other considerations, one is handicapped in the empirical investigation of hypotheses by the many difficulties involved in setting up experimental situations. The complexity of the subject matter, however, should act as a challenge to those concerned with the development of research techniques.<sup>20</sup> To voice an optimistic note in this respect, investi-

<sup>20</sup> See Paul A. Samuelson, *Foundations of Economic Analysis* (Cambridge: Harvard University Press, 1947) pp. 311-312, for some pertinent comments on this matter. In this connection Carroll L. Shartle, in a letter to the writer, comments: "... most of the studies thus far are case histories. Are we not ready to try out something different? Why can not we identify measurable variables and discover their interrelationships in a number of settings? Some will be background variables, others will be situation variables, and still others will concern the behavior of individuals and groups. The variables will come from economic,

gations which approximate experimental techniques or which, through the use of new approaches, promise increasingly worthwhile results are at present being undertaken at various institutions.

Several specific techniques appear to hold considerable promise for research in this field. These include the "before and after" and "comparative situation" approaches, and the development of control group observations. The refinement of polling and survey techniques—both as means of securing information in the more general sense and as devices to measure attitudes and opinions—affords increasingly useful tools. The advances in interviewing and questionnaire techniques, and in sampling, coding, and evaluative procedures all benefit research undertakings.<sup>21</sup>

Whether the case history or the experimental approach is used, there appears to be a need for continued development of these and other tools of observation. At present, for example, we would rarely expect two experts on case history to study the same establishment independently and obtain findings that would meet any reasonable criterion of reliability or validity. All difficulties notwithstanding, the more precise observations which should result from careful use of newly developing techniques, and the formulation and reformulation of hypotheses, along with additional descriptive materials, should enlarge our quantitative and qualitative knowledge and understanding of patterns and processes in labor-management relations. As Derber notes: "If useful theories are to be formulated they should be subject to pragmatic tests. Because it is not a laboratory science, and it is rarely possible to control the

sociological, and psychological data. If we know something of the interrelations of these variables, I think we can then proceed to controlled experiments in which we attempt to predict outcomes. Our hypotheses would govern the variables selected and data treatment."

<sup>21</sup> See the Appendix in Robin M. Williams, Jr. (92) for a discussion of many topics pertinent to research in labor-management relations. Also see F. Stuart Chapin, *Experimental Design in Sociological Research* (New York: Harper & Brothers, 1948); George A. Lundberg, *Social Research: A Study in Methods of Gathering Data* (New York: Longmans, Green & Company, 1942); and Pauline V. Young, *Scientific Social Surveys and Research* (New York: Prentice-Hall, 1939). While the literature dealing with survey, polling, and related methods and techniques is quite extensive, it consists principally of articles in journals. There seems to be a real need for an introductory "primer" in this area.

variables, industrial relations research cannot normally verify a hypothesis or theory with mathematical precision. But, if the situations are carefully selected much can be accomplished in testing the theoretical statement.”<sup>22</sup>

<sup>22</sup> *Op. cit.* (15), p. 14.

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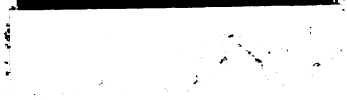












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